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THRIFT FUND

"The Thrift Fund's Participation Loan Program enabled our bank to meet the specialized financing needs of the Concord Museum, an important local cultural and educational institution. The Fund is a unique agency playing a vital community reinvestment role for Massachusetts."

Brian D. Lanigan, Vice President,
Middlesex Savings Bank

1990 ANNUAL REPORT

MAY 1 2 1991



THRIFT
FUND



Governor Michael S. Dukakis and Raymond L. Morin, President of Fitchburg Savings Bank, present a $960,000 Participation Loan check to Ernest P. Stathis, Trustee of Monument Square Realty Trust, as Fitchburg Mayor Jeffrey A. Bean and Representative George J. Bourque look on. Since the Thrift Fund was first proposed in 1984, the Dukakis Administration has worked closely with the thrift industry to assure its success. Our thanks to Governor Dukakis for his support of the Fund these past years.

January 1991

Some five years ago, the Thrift Fund was created to provide financing for public benefit projects originated in both the private and the public sectors, by nonprofit as well as for-profit organizations. The Fund's fifth anniversary this past July commemorated the crafting of an unusual consensus that brought this state's government and its thrift industry together in a most creative public/private partnership. This partnership has made well over $100 million in new financing available to small businesses, mature industries, nonprofit ventures, affordable housing developments, and commercial revitalization efforts.

Thrift Fund commitments now exceed $58 million for 93 projects throughout the state. With its innovative and responsive approaches to financing, the Thrift Fund will continue to provide essential resources to facilitate reinvestment in Massachusetts and the job generation which results.

Perhaps more than any year in recent memory, 1990 demonstrated just how vital alternative financing mechanisms are to reinvestment in this state. With the banking industry under enormous and unusual pressures, lenders are, of necessity, taking an extremely conservative posture with respect to new additions to their loan portfolios. Without the assistance of the Thrift Fund and other public agencies, many truly worthwhile enterprises would stand no chance of receiving the financial support they require.

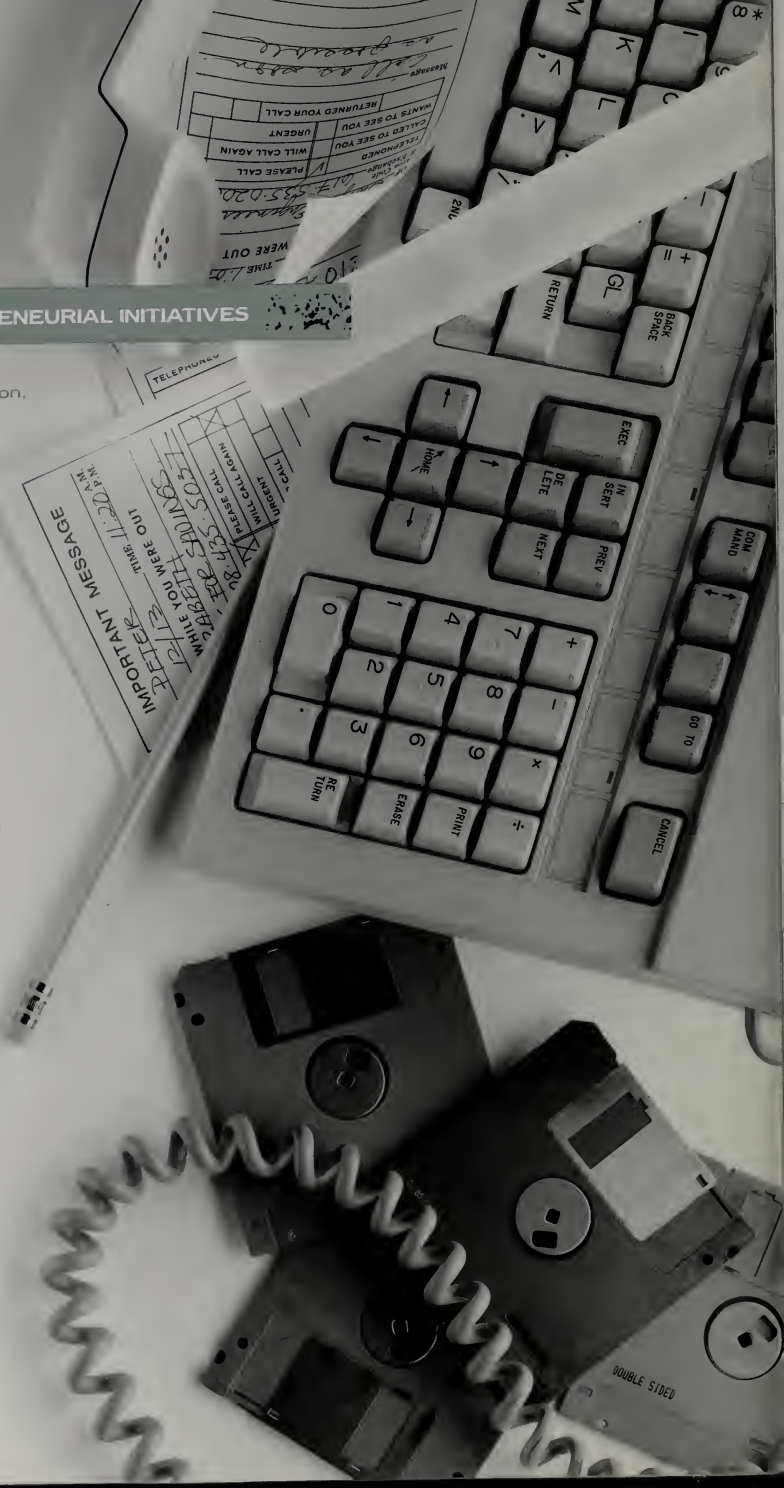
We have spent the past five years developing flexible and workable solutions to the financing needs of a wide variety of economic development initiatives. Utilizing this experience, we intend to work closely with both our member institutions and our fellow public agencies in the coming year to help revitalize our state's economy.

Paul H. Rupp

Paul H. Rupp
Executive Director

SUPPORTING ENTREPRENEURIAL INITIATIVES

Beneath the streets of Boston, New England Digital Distribution (NEDD) is installing a fiber-optic communications network that will offer improved and less expensive inter-office computer data and telephone transmission for Boston companies. A $780,000 Thrift Fund loan made the installation of NEDD's state-of-the-art system possible.



Massachusetts' extensive intellectual resources have long provided the matrix within which ideas are transformed into entrepreneurial initiatives. Small businesses sustain this entrepreneurial spirit through innovative and progressive product development and the pursuit of expansion opportunities. The Thrift Fund targets growing businesses for financing assistance because of their great economic development potential. One such company, New England Digital Distribution, Inc. (NEDD) seized upon the opportunities provided by a deregulated telecommunications market resulting from AT&T's 1982 divestiture. Thrift Fund financing will help NEDD install a new fiber-optic control system in parts of the MBTA tunnel network under Boston. This local loop fiber optic system will provide improved and less expensive service for large Boston companies transmitting telephone calls and computer data throughout the city. Using NEDD's fiber optics and microwave transmitters, customers have an efficient alternative to leasing telephone lines for inter-office information transfer purposes. The Thrift Fund's $780,000 loan was part of a larger financing package that will, in addition to aiding a small business in its expansion efforts, also provide jobs for 50 IBEW construction workers contracted to install the system. Opportunities for expansion and for the more efficient delivery of goods and services are not, however, limited to technology-oriented businesses. An excellent example is Peabody-based Classical Foods, Inc. The company received a participation loan from the Thrift Fund and Danvers Savings Bank that will enable it to operate four entities: a catering service, a meat market/delicatessen, and two Popeye's chicken franchises. The driving force behind this enterprise is John Womack, the United States Small Business Administration's 1989 Minority Small Business Person of the Year. Mr. Womack successfully built a small cleaning company into an operation that now employs 800 people in six states. His new venture in Massachusetts will create approximately 30 jobs initially. In Orange, still a different type of small business is being given the opportunity to grow with the Thrift Fund's assistance. Transportation Management, Inc. (TMI) is expanding its freight-hauling operation with a $450,000 loan from the Fund. Eleven staff members and five additional truck owner-operators will join TMI's existing workforce and fleet of ten tractor-trailers.

ESTABLISHING A HUMAN LEGACY

The Concord Museum preserves the cultural heritage of New England and the legacy of a fiercely independent people. With a $1.5 million Participation Loan from the Thrift Fund and Middlesex Savings Bank, the Museum is financing a major expansion project which will increase its capacity to serve an ever-growing number of visitors.





dequate affordable housing and vibrant commercial centers do not alone constitute a healthy living environment. Our communities also depend on, and are enhanced by, the specialized services provided by numerous nonprofit organizations. Through various educational, social, and cultural programs, these organizations strengthen the social fabric and improve our quality of life. With Thrift Fund financing, a number of these nonprofit organizations have been given the means to realize their expansion plans and to reach their full potential. In Concord, for example, the Concord Antiquarian Society works to preserve that community's special heritage, as well as to interpret New England's unique role in American history. The Society operates the nationally recognized Concord Museum which exhibits, through its extensive collections and programs, the area's legacy as the birthplace of the American Revolution, as the home of such intellectual giants as Emerson and Thoreau, and as a leader in the Industrial Revolution. A $1.5 million participation loan from the Thrift Fund and Middlesex Savings Bank will fund the Museum's physical expansion, allowing it to better accommodate the thousands of students, local patrons, and area visitors who tour the Museum annually. Plans include modification for easier handicapped accessibility and the addition of a 9,200 square foot area to include a theater and museum shop. In another instance, the Fund was able to assist an important nonprofit group serving a consortium of communities. North Suffolk Mental Health Association in East Boston provides comprehensive mental health services to people in Chelsea, Winthrop, Revere, and Boston. This private, nonprofit corporation received an $868,000 participation loan from the Thrift Fund and East Boston Savings Bank to renovate a building that houses its Conexions Day Treatment Program and the East Boston-Winthrop Counseling Center. For many working parents in the South End and Roxbury communities, the services of Children's World Educational Centers, Inc. are essential. Each day Children's World educates and cares for about 100 children. The Center has developed an educational program that stimulates children's emotional, social, physical, and intellectual growth in a familial atmosphere. This private, nonprofit day care operation received $100,000 in Thrift Fund financing to refurbish and repair its facilities, consolidate debt, and reduce accounts payable. And in Brookline, our first three-way participation effort was successfully negotiated when the Thrift Fund, Brookline Savings Bank, and Coolidge Corner Cooperative Bank together provided New Perspective School with $490,000 in financing for the construction of new classrooms and facility renovations. An alternative high school, New Perspective School serves students who are unable to succeed in the traditional public school setting. The educational and support services provided by the school help these students earn their high school diplomas.

BUILDING A HOME OF ONE'S OWN

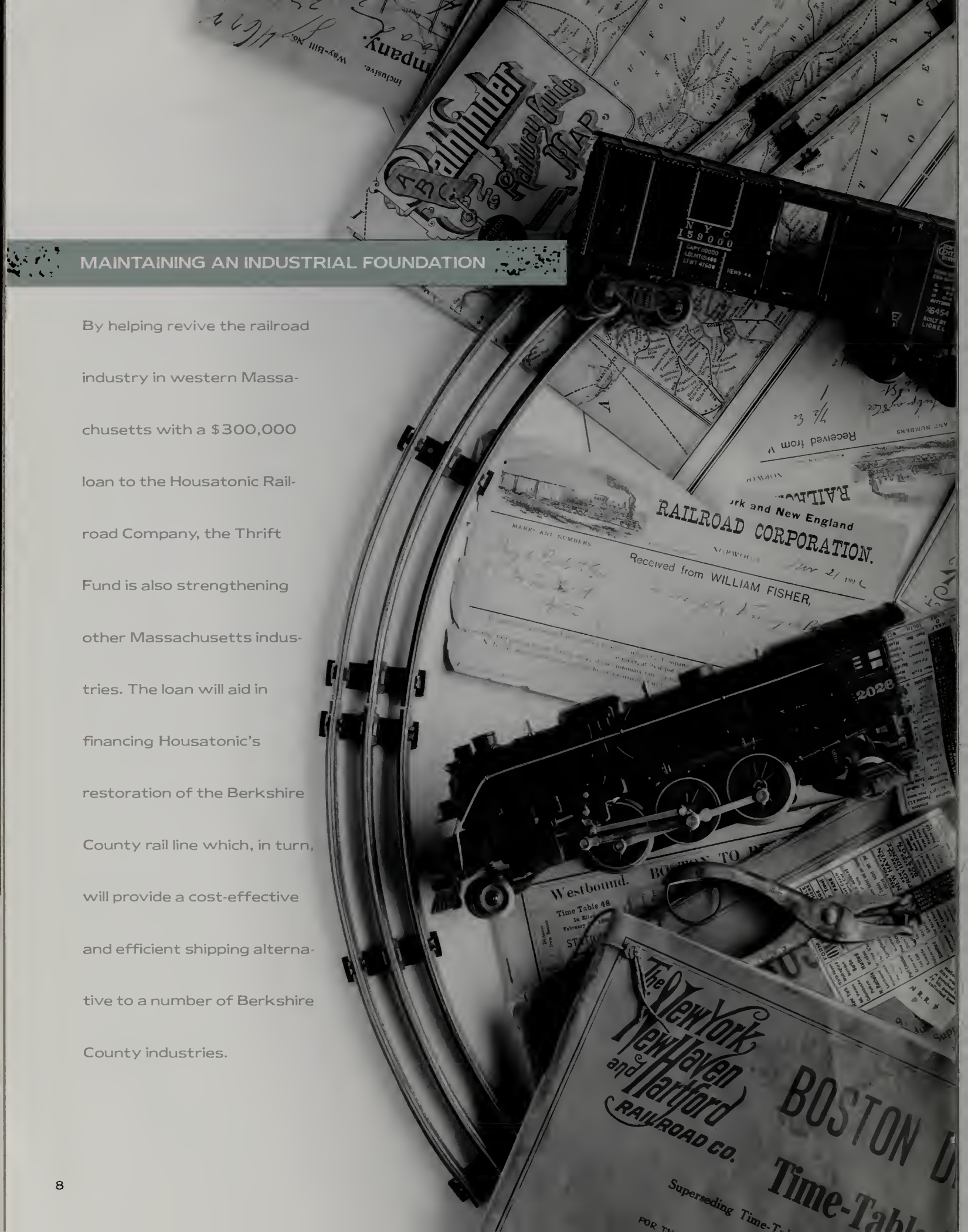
At the Boston Building Materials Cooperative (BBMC), Co-op members are assisted in renovating their own homes with the technical support and lower-cost materials the BBMC provides. The Thrift Fund and The Boston Five Cents Savings Bank helped finance construction of the Co-op's new headquarters with a $240,000 participation loan.



Creating and maintaining a greater supply of affordable housing continues to be a top public policy priority for Massachusetts. More often, addressing the affordable housing problem requires the coordinated efforts of both the public and private sectors. In an effort to provide some relief for the affordable housing crisis, the Fund has worked in conjunction with other public and private programs to finance innovative housing development and related support services. Orchestrating special public-private partnerships for this purpose, the Fund has developed financing packages for several noteworthy housing initiatives. A good example is that of the **Boston Building Materials Cooperative** (BBMC). Since 1978, this nonprofit organization has been assisting low and moderate income homeowners and tenants maintain and upgrade their properties. The BBMC operates on a simple principle: in exchange for a few hours of their time, members gain access to lower-cost building materials and hardware, the assistance of experienced builders, and technical help in do-it-yourself projects. The BBMC received a $240,000 participation loan from the Thrift Fund and The Boston Five Cents Savings Bank which financed a new facility to accommodate its expanding membership. Co-op members designed and constructed the building which opened this past summer. In spite of such laudable efforts as BBMC's self-help program, for many segments of the population home ownership remains out of reach, and the threat of homelessness remains frighteningly real. With the aging of the population in general, the need for safe, affordable shelter for the elderly becomes all the more acute. The Council of Elders, an organization providing community-based health and social services to the elderly, is responding by addressing the special needs of homeless senior citizens in Roxbury. Forward, Inc., a subsidiary of the Council, converted part of its **Walnut Building** office and service complex into a 37-unit housing project for homeless elderly persons. The Thrift Fund and Neworld Bank provided a $557,928 participation loan to help finance the renovations.

MAINTAINING AN INDUSTRIAL FOUNDATION

By helping revive the railroad industry in western Massachusetts with a $300,000 loan to the Housatonic Railroad Company, the Thrift Fund is also strengthening other Massachusetts industries. The loan will aid in financing Housatonic's restoration of the Berkshire County rail line which, in turn, will provide a cost-effective and efficient shipping alternative to a number of Berkshire County industries.

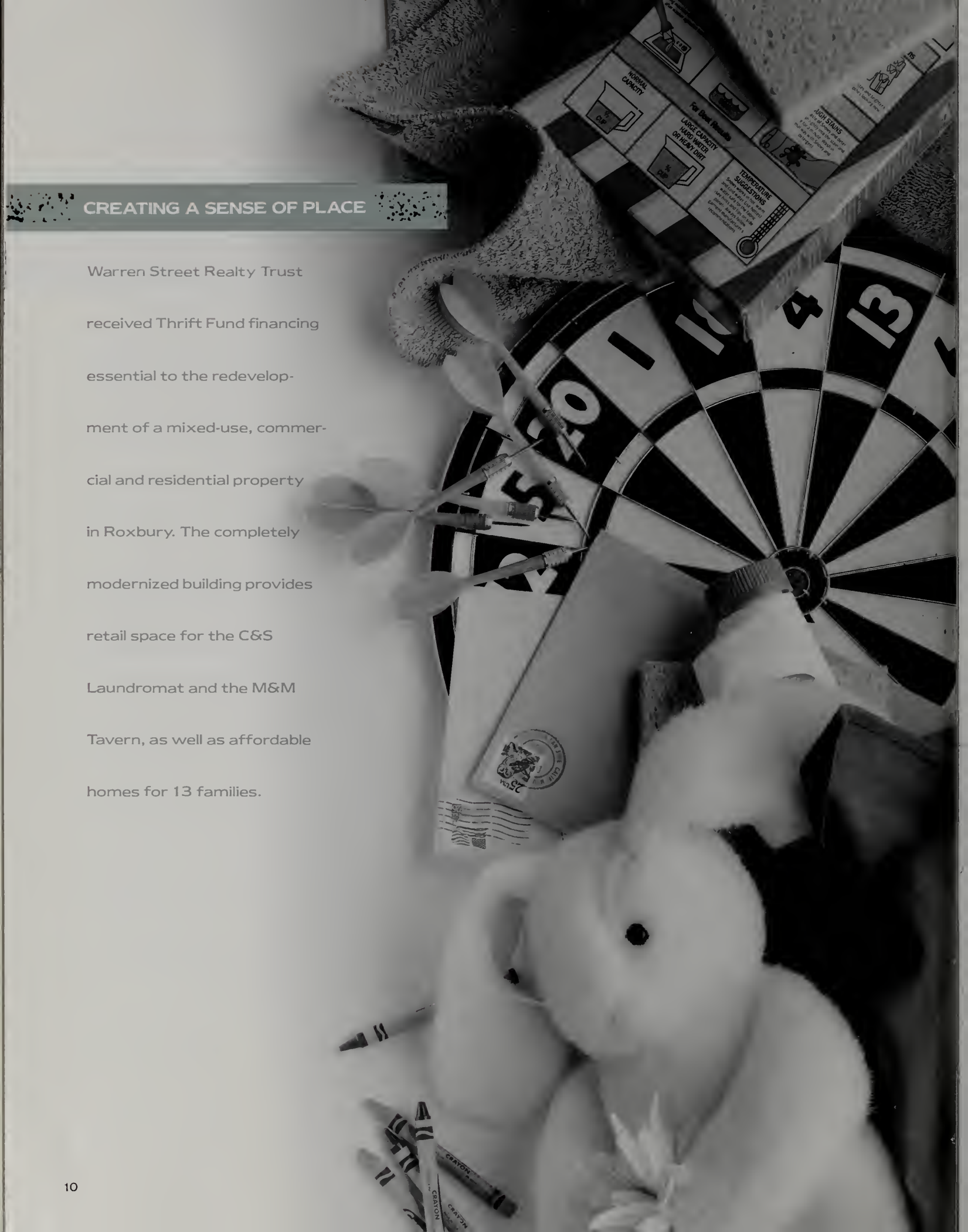




etaining jobs and creating new employment opportunities for Massachusetts workers is the most fundamental of the Fund's economic development objectives. Because the livelihood of a great many people depends on mature industries, the Thrift Fund makes its resources available on a priority basis to support these employers, both large and small. The end of the industrial revolution in the early part of this century also brought with it an abrupt decline in the fortunes of its pre-eminent transportation network. Weeds now cover many of the railroad tracks that crisscross many parts of the state and, at one time, guided freight trains transporting raw materials to mills and finished goods to market. Today, though, pockets of industry trying to modernize and regenerate stand to benefit from the reinstitution of reliable rail service rather than continue depending on less efficient and more costly shipping methods. Just such an opportunity is being provided by the Housatonic Railroad Company, which plans to renew rail service in western Massachusetts. The company is purchasing 36 miles of rail between Pittsfield, Massachusetts and a recently-restored connecting line in Connecticut. Housatonic now seeks to restore the entire Berkshire line, providing a number of Massachusetts manufacturers access to a cost-effective shipping alternative. It will also establish the foundation for possible future restoration of passenger service between New York City and Pittsfield, and even beyond. With the help of a $300,000 loan from the Fund, Housatonic will purchase the right-of-way enabling the railroad to upgrade equipment and bring new locomotives on line. The project, of course, will also create new employment opportunities in operation and maintenance of the restored rail line. In another case, the Thrift Fund, in cooperation with a number of other public and private funding sources, took part in a major financing package that will save 95 jobs in Holyoke. These jobs were in jeopardy when SPM Corporation, a Holyoke photograph album manufacturer, suffered a series of business reversals in recent years. The company was forced into Chapter XI Bankruptcy, and liquidation commenced. A number of purchase bids were obtained, but only Antioch Publishing Company of Ohio planned to acquire the Holyoke manufacturer and continue its operations. Antioch's acquisition of the Holyoke plant will protect the livelihood of 95 workers and create an additional 25 jobs. The Fund committed $500,000 to Antioch's $4,750,000 purchase package.

CREATING A SENSE OF PLACE

Warren Street Realty Trust received Thrift Fund financing essential to the redevelopment of a mixed-use, commercial and residential property in Roxbury. The completely modernized building provides retail space for the C&S Laundromat and the M&M Tavern, as well as affordable homes for 13 families.



Massachusetts' cities and towns are among the oldest in the entire country. Throughout their long histories, these urban centers have witnessed numerous economic cycles; including periods of growth and periods of downturn. Utilizing this experience, Massachusetts has, over the last several decades, emerged as a leader in the field of urban redevelopment, formulating new revitalization techniques and spearheading the concept of targeted investment. Reviving an age-old urban concept, city planners have, in recent years, identified mixed-use projects as one of the best hopes for bringing new life to depressed areas. By combining commercial properties with a residential base, an area may come to enjoy both the vitality of business operations and the stability of a populated location. Residents benefit from the retention of commercial and retail enterprises that too often desert inner-city neighborhoods, and the businesses benefit from a built-in clientele. With a $475,000 loan, the Thrift Fund helped finance just one such mixed-use project in Roxbury. **The Warren Street Realty Trust** undertook to develop properties containing multi-family residential units and several retail storefronts. With permanent financing from the Thrift Fund, 13 families now share their building with a self-service laundromat and a neighborhood cafe. Given the emphasis placed upon urban revitalization, local lending institutions face renewed interest and heightened expectations with respect to their community reinvestment efforts. For thrifts seeking to increase their community-based lending efforts, the Fund's flexible Participation Loan Program has become a very useful tool. In Fitchburg, the Fund, in partnership with a local thrift, provided the central component of a financing package that enabled the completion of a community-based commercial development project. Monument Square Realty Trust was moving forward with its plans to construct a major new commercial and office anchor, **The Park Square Building** in downtown Fitchburg. However, the Trust found itself in a difficult dilemma when the original lender was taken over by the Federal Deposit Insurance Company. Attempting to fill the tremendous gap that resulted, Monument Square Realty Trust sought financing through Fitchburg Savings Bank. The bank, although committed to the revitalization of downtown, was unable to fund the entire amount needed and took advantage of the Fund's Participation Loan Program by forming a partnership to meet the credit needs of the project. The Fund and the bank, together, developed a $960,000 financing package that rescued the project from failure. Today, the Park Square Building serves as office space for General Electric, the Liz and Pam Hallmark Shop, and the law offices of Ciota, Starr, and Vanderlinden.

PARTICIPATION LOANS

Borrower	Location	Member Bank	Total Commitment	Type of Business	Jobs Created or Retained
1987					
Zeiterion Theatre	New Bedford	New Bedford Inst. for Savings	$ 400,000	Performing Arts Center	52
Boston Bridge & Iron	Dorchester	Braintree Savings Bank	650,000	Structural Steel Erection	53
Breakthrough Vehicles	N. Easton	North Easton Savings Bank	150,000	Modify Vans for Disabled Drivers	13
Optical Micro Systems	Danvers	Warren Five Cents Savings	500,000	Mfg. of Micro Surgical Instruments	45
1988					
Historic Stores Assoc.	New Bedford	Boston Five Cents Savings	4,200,000	Retail/Office Building	280
Yankee Candle Co.	S. Deerfield	Heritage-NIS Bank for Savings	3,065,000	Mfg. of Candles	180
Hollywood Limousine	Danvers	Danvers Savings Bank	625,000	Livery Service	22
OMT Fashions	Mendon	Milford Savings Bank (FDIC)	960,000	Mfg. of Costume Jewelry	45
Regional Waste Services	Peabody	Salem Five Cents Savings Bank	4,100,000	Solid Waste Disposal	112
1989					
Original Italian Pasta	Chelsea	Danvers Savings Bank	500,000	Mfg. & Distributor of Pasta Products	15
(M) Boston Citywide Land Trust	Boston	Neworld Bank	1,449,927	Limited Equity Cooperative	N/A
Grass Roots	Holliston	Medway Savings Bank	315,000	Lawn & Landscape	13
(M) Boston Building Materials Coop	Boston	Boston Five Cents Savings	240,000	Tech. Training for Low Income Homeowners	4
(M) Walnut Building	Roxbury	Neworld Bank	557,928	Elderly Housing	17
New Perspective School	Brookline	Brookline Savings Bank and Coolidge Corner Cooperative Bank	490,000	Educational	15
Monument Square Realty Trust	Fitchburg	Fitchburg Savings Bank	960,000	Commercial/Retail Office Building	80
1990					
Minoan Realty Trust	Salem	Eastern Bank	4,880,000	Commercial Real Estate Development	N/A
Concord Museum	Concord	Middlesex Savings Bank	1,500,000	Museum	25
North Suffolk Mental Health Association	E. Boston	East Boston Savings Bank	868,000	Health Care	450
(M) Classical Foods	Peabody	Danvers Savings Bank	350,000	Food Service	30
20 Loans			**$26,760,855**		**1,406**

(M) *Minority Enterprise*

DIRECT LOANS

	Borrower	Location	Principal Amount	Type of Business	Jobs Created or Retained
	1985				
	Parry Footware	Cambridge	$ 200,000	Mfg. of Men's Slippers	65
	Camex, Inc.	Boston	650,000	Mfg. of Computer Graphics	128
	Payne Cutlery	New Bedford	500,000	Mfg. of Scissors	192
	High Seas Corp.	Fall River	465,000	Fishing Vessels	140
	Atlantic Thermoplastics	Blackstone	300,000	Mfg. of Molded Products for Shoe Inds.	12
	Berkley Farms	Berkley	440,000	Hydroponic Tomato Farming	46
	Bergeron Paper	Fitchburg	32,500	Mfg. of Paperboard Packaging	13
(M/F)	Elizabeth Stone House	Jamaica Plain	496,000	Women's Transitional Housing	N/A
	Berkshire Corp.	Gr. Barrington	200,000	Mfg. of Specialty Papers & Cloth	30
	Southeastern Econ. Dev.	Taunton	120,000	Non-Profit CDC	469
	Cunningham Woodland	Whitman	200,000	Prepackaged Medical Dressing Trays	65
	Lake Industries	Stoneham	60,000	HVAC Contractor	40
	Eng. & Sales Assoc.	Springfield	225,000	Mfg. of Custom Test Equipment	40
	1986				
	Savage Industries	Westfield	1,500,000	Mfg. of Sporting Rifles	450
	Tomsun Foods	Greenfield	500,000	Mfg. of Soybean Food	60
	Andrew Wilson	Lawrence	800,000	Mfg. of Metal Shelving	200
	Mass. Protein Products	New Bedford	3,200,000	Process Fish Waste	70
(M)	Jet-A-Way, Inc.	Roxbury	500,000	Solid Waste Disposal	79
	Kramer Scrap	Greenfield	325,000	Scrap Metal Converter	70
	Clean Harbors	Braintree	3,500,000	Pollution Cntrl./Haz. Waste Disposal	300
	Trio's	Chelsea	300,000	Mfg. & Dist. of Pasta Products	24
	Downside Enterprises	Springfield	250,000	Wholesale Dist. of Surplus Goods	26
	Gloucester Corp.	Lynn	900,000	Processor/Dist. of Shrimps/Scallops	108
	Surrey Industries	Taunton	400,000	Mfg. of Plastic Shopping Bags	125
	Weblock	Fall River	368,000	Mfg. of Textiles	22
	Decorative Coverings	Wakefield	2,000,000	Mfg. of Wall Coverings	445
	Xenon	Woburn	250,000	Mfg. of Laser Pump Sources	26
	Runtal North America	Haverhill	400,000	Mfg. of Radiators	110
(M)	Kopin Corp.	Taunton	500,000	Mfg. of Semiconductor Material	70
	Catamount Mfg.	Leominster	650,000	Mfg. of Plastic Molded Fasteners	92
	Whittenton Garment	Fall River	255,500	Mfg. of Apparel	211
	Flint Village Plaza	Fall River	650,000	Development of Commercial Space	250

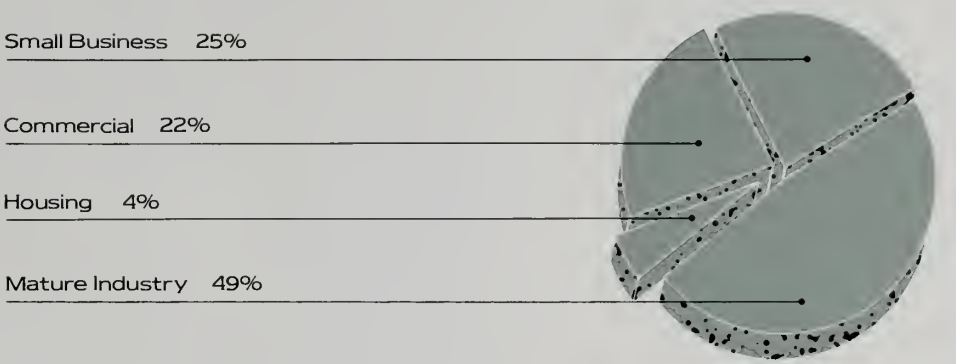
	Borrower	Location	Principal Amount	Type of Business	Jobs Created or Retained
	1987				
	Tomkins Corp.	Whitinsville	250,000	Mfg. of Machinery & Equipment	35
	Broken Wharf Realty Trust	Plymouth	875,000	Gift Store/Floral Shop	37
	Transcriber, Inc.	Taunton	1,800,000	Mfg. of Electronic Accessories	79
	N. E. Aquatics Center	Danvers	300,000	Recreational and Therapeutic Facility	6
	Boston Opera Company	Boston	600,000	Performing Arts	N/A
	Old Mother Hubbard	Lowell	421,500	Mfg. of Pet Foods	105
(M/F)	Dimock Health Center	Roxbury	840,000	Health Center	25
	Wolverine Corp.	Merrimac	500,000	Mfg. of Industrial Process Machinery	200
	Ameriplast Corp.	Chicopee	1,000,000	Mfg. of Plastic Food Packaging	75
	Professional Brush Co.	Northampton	1,100,000	Mfg. & Dist. of Toothbrushes	100
	Rite Foods, Inc.	Boston	400,000	Fish Processor	60
	Techni Products, Inc.	E. Longmeadow	300,000	Contract Machine Center	40
	677 Beacon Trust	Boston	850,000	Research Inst. for Circadian Physiology	120
(M)	Vispy's Enterprises	Framingham	257,789	Mfg. & Dist. of Bakery Products	16
	Multi-Core, Inc.	Andover	750,000	Mfg. of Multilayer Circuit Boards	210
	Kenwood Farm	Georgetown	900,000	Thoroughbred Race Horse Breeding	35
	1988				
	American Garter	Ware	435,000	Retail	96
	Bay State Spray	Boston	1,500,000	Water Transportation	35
	Taunton Silversmiths	Taunton	1,000,000	Mfg. Silver/Gold Plate	122
	Katama Farms	Martha's Vnyd.	650,000	Dairy Farm	6
	Museum Place Realty Trust	Salem	1,425,000	Retail/Office Mall	35
	300 Shawmut Avenue	Boston	270,000	SRO Housing	2
	Baystate Energy Service	Taunton	315,000	Mfg. of Industrial Equipment	145
	Plymouth Rubber	Canton	1,250,000	Mfg. of Rubber & Vinyl Tapes/Bands	410
	B & J Mfg. Co.	Taunton	500,000	Mfg. of Gift Jewelry	120
	Compression Products	Sheffield	300,000	Mfg. of Preforms	17
	Frem Corp.	Worcester	700,000	Mfg. of Plastic Molded Housewares	255
	Brilo Corp.	Salem	400,000	Mfg. of Above Ground Pools	50
	Lightlife Foods	Greenfield	260,000	Tofu Food Products	25
(M)	Input Output Services	Waltham	600,000	Computer Service	205
	Park St. Lodging House	Dorchester	250,526	SRO Housing	2
	1989				
	Datawatch Corp.	Wilmington	450,000	Mfg. of Computer Workstations	102
(M)	Edgartown Refuse	Chilmark	425,000	Waste Management	12
(M)	Warren Street Realty	Roxbury	475,000	Affordable Housing/Commercial	5
	N. E. Digital Dist.	Beverly	780,000	Telecommunications	50
	1990				
	The Community Builders	Boston	566,000	Affordable Office Space	360
(M)	Children's World Educational Center	Boston	100,000	Education and Day Care Facility	23
	Transportation Management, Inc.	Orange	450,000	Freight Hauling and Brokerage	19
	Housatonic Railroad	Berkshire County	300,000	Freight and Passenger Rail Service	18
	SPM/Antioch Pub. Co.	Holyoke	500,000	Mfg. of Photo Albums	120
(M)	Native Poultry	Chelsea	500,000	Dist. of Processed Food	120
	73 Loans		**$46,682,815**		**7,475**

(M) *Minority Enterprise* (F) *Female Enterprise*

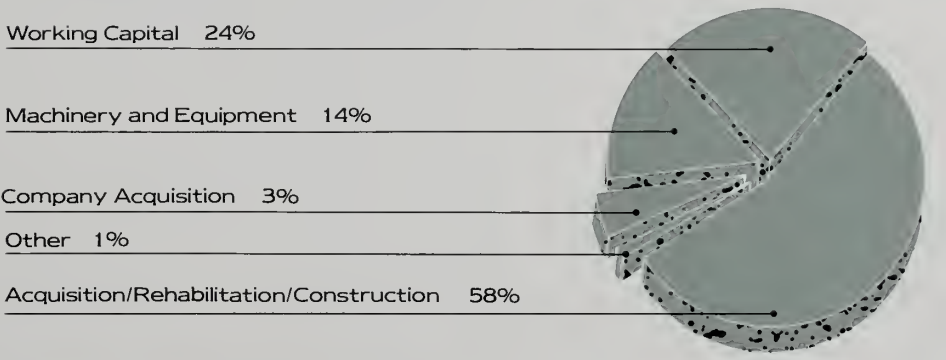
APPLICATION OF FUNDS

$58.5 million in outstanding commitments as of December 31, 1990

Enterprises Financed



Use of Proceeds



GEOGRAPHIC DISTRIBUTION OF BORROWERS



The 93 financing commitments entered by the Thrift Fund through the end of 1990 are expected to positively impact employment in Massachusetts by creating or retaining nearly 9,000 jobs.

ACKNOWLEDGMENTS

The Board of Directors and Staff wish to express their sincere appreciation to the following former directors for their outstanding service and leadership on the Fund's behalf:

Mary Ann Walsh
Secretary of Consumer Affairs & Business Regulation, Chairman, 1989–1990

Charles A. Pearce
President, Quincy Savings Bank, Vice Chairman, 1985–1990

Once again we extend special thanks to the members of the Loan Review Committee for their wise counsel and expert advice:

Vitold J. Adamonis
Senior Vice President, Worcester County Institution for Savings

John W. Fridlington
Executive Vice President, Heritage-NIS Bank for Savings

John W. Hosmer, Jr.
Senior Vice President, Cambridge Savings Bank

Legal Counsel:
Hill & Barlow

Independent Auditors:
KPMG Peat Marwick

THRIFT FUND OFFICERS

Mary Ann Walsh	Chairman
Philip E. Lamb	Vice-Chairman
Arthur Platt	Secretary
Jacqueline L. Kay	Treasurer
Thomas R. Venables	Chairman, Executive Committee

BOARD OF DIRECTORS



From top left:
James G. Zafris, President, Danvers Savings Bank
Harold L. Goldsmith, President & Chief Executive Officer, South Shore Cooperative Bank
Daniel Dennis, CPA, Daniel Dennis Associates
Thomas R. Venables, President & Chief Executive Officer, Grove Bank for Savings
Paul D. Bozzini, President, Milford Federal Savings & Loan Association
Donald R. Eldridge, Chairman & Chief Executive Officer, Abington Savings Bank

From bottom left:
Philip E. Lamb, Chairman of the Board, President & Chief Executive Officer, Springfield Institution for Savings
Jacqueline L. Kay, President, WPI, Inc.
Harry T. Daniels, Senior Partner, Hale & Dorr
Walter A. Kinell, Jr., President, Westborough Savings Bank

Not pictured:
Mary Ann Walsh, Secretary of Consumer Affairs & Business Regulation
Arthur Platt, President, Mt. Grace Realty, Inc.
Michael Padnos, Attorney & Real Estate Developer
Robert L. Beal, Executive Vice President, The Beal Companies; Chairman, MIFA

THRIFT FUND STAFF



From left:
Paul H. Rupp, Executive Director; Anne L. Good, Office Manager; Michael F. Wilson, Program Manager; Susan B. Winter, Communications Officer

Credits: Design by Carr Tedrow, Printing by Pride Printers, Tabletop photography by Al Fisher







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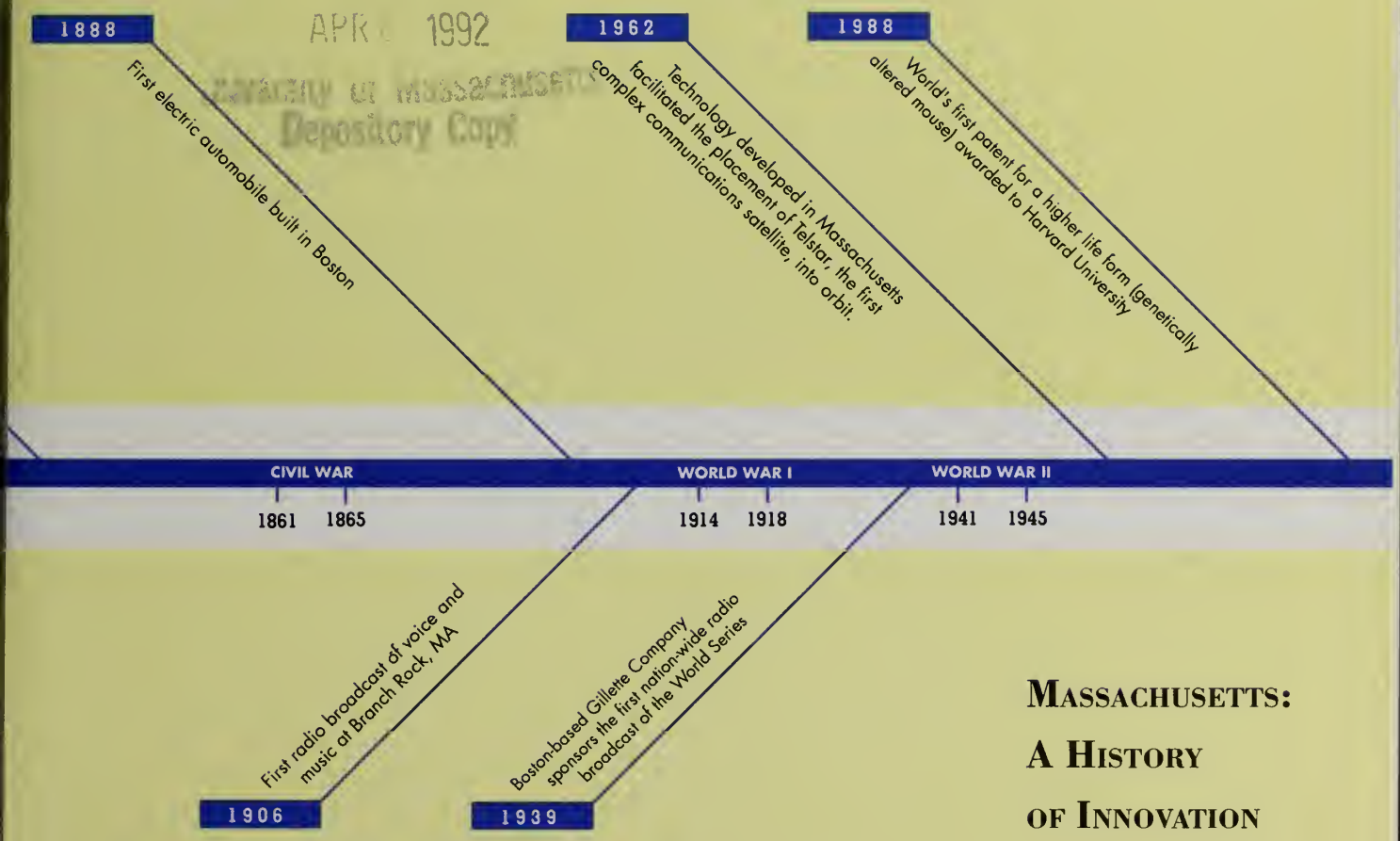
FAX 742-6242

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THRIFT FUND 1991

(Annual Report).

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MASSACHUSETTS: A HISTORY OF INNOVATION

Elevation drawing of the State House
courtesy of the State Library of Massachusetts.

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New England industry, 1888.
Sears, Roebuck telegraph, 1902.
Polaroid headquarters, Cambridge, Massachusetts.

A Message From Governor Weld



February, 1992

Dear Friends,

These are, without a doubt, difficult economic times for Massachusetts, as well as for the entire country. Though understandably difficult for those most directly affected by an economic downturn or recession, the cyclical nature of the national and regional economies must be viewed in a more historic perspective. Each turn of the cycle presents both challenges and opportunities. We must use the tools at hand effectively and intelligently to devise new strategies and responses to an ever evolving economy. We have the human resources to do so.

Throughout American history, the people of Massachusetts have proven themselves to be resourceful individuals at the forefront of economic growth. By the end of the eighteenth century, the trade and merchants of Massachusetts had made Salem one of our nation's premier ports. Throughout the nineteenth century, Massachusetts was the birthplace of countless scientific discoveries and inventions of significance, including those technological advances which made the mass production of goods not only possible but profitable. Throughout the twentieth century, Massachusetts has played a central role in the growth of American industry, now fueled in large part on high technology and information processing.

Today, the United States must adapt to a new world economic order. We are determined to position Massachusetts at the forefront of that effort. Meeting that challenge will require cooperative action and a marshaling of resources. We must forge strong public-private partnerships and create alliances which will bring together the respective strengths of the private and public sectors. Programs such as the Thrift Fund's demonstrate that entrepreneurial government can serve to secure private capital for public benefit projects and for growing businesses. Such initiatives can and must continue to play a key role in our strategic efforts to enhance our economic competitiveness.

William F. Weld

William F. Weld
Governor



A Message From Governor Weld



February, 1992

Dear Friends,

These are, without a doubt, difficult economic times for Massachusetts, as well as for the entire country. Though understandably difficult for those most directly affected by an economic downturn such as this, the cyclical nature of the national and regional economies must be viewed in their historic perspective. Each turn of the cycle presents both challenges and opportunities. We must use the tools at hand effectively and intelligently to devise new strategies and responses to an ever evolving economy. We have the human resources to do so.

Throughout American history, the people of Massachusetts have proven themselves to be resourceful individuals at the forefront of economic trends. By the end of the eighteenth century, the traders and merchants of Massachusetts had made Salem one of our nation's pre-eminent ports. During the nineteenth century, Massachusetts was the birthplace of countless scientific discoveries and inventions of significance, including those technological advances which made the mass production of goods not only possible, but profitable. And throughout the twentieth century, Massachusetts has played a central role in forging a new American economy based in large part on high technology and information processing.

Today, the United States must adapt to a new world economic order. We are determined to position Massachusetts at the forefront of that effort. Meeting that challenge will require cooperative action and a marshalling of resources. We must forge strong public-private partnerships and create alliances which will bring together the respective strengths of the private and public sectors. Programs such as the Thrift Fund's demonstrate that entrepreneurial government can serve to secure private capital for public benefit projects and for growing businesses. Such initiatives can and must continue to play a key role in our strategic efforts to enhance our economic competitiveness.

William F. Weld

William F. Weld
Governor



Boston Harbor (1854) from Fort Hill, by John W. A. Scott.
Courtesy of the Bostonian Society.
Present site of International Place looking toward Rowes Wharf.

1991 Annual Report



Massachusetts: A History of Innovation

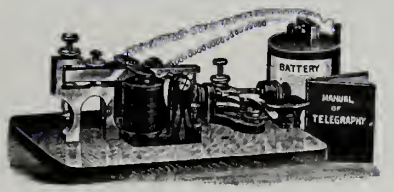
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The Concord Minute Men salute the new wing of the Concord Museum during the grand opening festivities.





The Manufactory House --"a House well situated for a Bank."
Courtesy of the First National Bank of Boston. Founded in 1784 as the Massachusetts Bank, Bank of Boston began its history in this building near the Granary Burial Ground.

Crowinshield's Wharf. Oil Painting by George Ropes, Jr., Salem, 1806. Around the wharf are the vessels America, Fame, Prudent, *and* Belisarius. *Courtesy of Peabody Museum of Salem. Photo by Mark Sexton.*



The Struggle for Independence



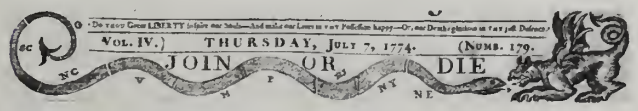
The Concord Museum, Concord, Massachusetts.

In Concord, Massachusetts where the struggle for American Independence began in earnest, a special museum celebrates the foundations of our national heritage and stands in proud testament to the rugged individualism which so defines our national character. The Concord Museum, established and operated by the Concord Antiquarian Society, is more than a repository of historic and cultural artifacts. It is also a significant and active educational enterprise which aims to bring to life for succeeding generations the very real and central role Massachusetts and its people have played in American History. The new wing of the Concord Museum was financed in large part by a $1.5 million Participation Loan between the Thrift Fund and Middlesex Savings Bank.

Massachusetts citizens were at the forefront of every major American movement of the eighteenth century; not the least of which was the century's defining moment, the Revolution itself and the fight for independence of the former British colonies. The free thinkers and intellectuals who fomented the era's revolutionary zeal had a vision of a state which served its people and not the contrary, as was the case throughout Europe at that time.

In the years after the 1783 Treaty of Paris ended the Revolution, our patriot statesmen led this young nation through uncharted waters toward a new concept of individual rights guaranteed by constitutional government. At the same time, sea captains set sail from Massachusetts ports upon the oceans of the earth, creating an entirely new means of livelihood in the basically agrarian economy of eighteenth century America. These adventurers and entrepreneurs opened the trade routes that enabled our newly independent, fledgling mercantilism to flourish.

America's new-found economic independence would, of course, require substantial capital formation and tremendous amounts of credit to fuel further growth and expansion. In the early days of independence each former colony, now a sovereign state, had its own distinct and separate economy and banking system. Some, in fact, had their own currencies. As the interim Articles of Confederation gave way to a true national government under the Constitution of the United States, a unified economy and banking system began to emerge in the population centers along the seaboard. The First National Bank of Boston, founded in 1784, would become a major player in the American financial system.



Engraving by Paul Revere as masthead for The Massachusetts Spy, 1774. Courtesy of the Massachusetts Historical Society.



Old Colony Railroad Company stock certificate, 1882. Courtesy of Richard O. Card.



Engraving of the Boston Manufacturing Company mills, ca. 1836, from a Waltham Bank note. Courtesy of the Charles River Museum of Industry.



The tremendous industrialization of the northern states and the opening of the western territories by new transportation means, in part set the stage for an inevitable national conflict as the South clung to a feudal agricultural system dependent on slavery. Massachusetts' famed 54th Regiment, comprised entirely of free blacks and former slaves, would earn distinction in some of the bloodiest battles of the Civil War.



The Thompson Bank was erected in 1883. Old Sturbridge Village acquired the bank building with financial assistance from the Massachusetts Bankers Association and restored it as one of the living museum's outdoor exhibits portraying rural life in nineteenth century New England. Courtesy of Old Sturbridge Village. Photo by Robert S. Arnold.

The Industrial Revolution

Tremendous fortunes were amassed in the early part of the nineteenth century by the China traders and associated merchants of thriving American ports like Salem, Boston, and New York. These resources soon found good use as the Industrial Revolution, which had begun in England, spread rapidly to the United States. At the vanguard were Massachusetts entrepreneurs like Francis Cabot Lowell, who built the first integrated textile company in the world, the Boston Manufacturing Company, in Waltham in 1814.



Governor William Weld, Secretary Gloria Larson and John Hanlon, President of Housatonic Railroad Co., celebrate the restoration of the Housatonic line.

Industrial growth would necessitate major innovations and advances in America's transportation networks. The agricultural South needed more efficient means of shipping raw materials to the manufacturing centers of the North, which in turn, sought better ways of getting finished goods to market quickly and cheaply. At first, transportation improvements were centered around waterways, such as the 27 mile long Middlesex Canal, opened in 1804, which connected Boston and the Merrimack River. By 1830 there were 1,277 miles of canals in the United States. In that same year the first true railroad in this country, Maryland's B&O, began operation. Transportation in America was forever changed. By 1873 the longest railroad tunnel in America (and the second longest in the world) was completed in northwestern Massachusetts. It had taken some 22 years to construct the 4.75 mile Hoosac Tunnel, an engineering marvel. Many of the railroad rights of way first laid out in the mid-nineteenth century are still in use today, as in the case of Massachusetts' Housatonic Railroad, restored in part through Thrift Fund financing.

Post Civil War America witnessed a burst of creative genius. In addition to a number of astonishing practical applications of electricity, incredible inventions and modern devices began to appear at a breathtaking pace. One of the most significant of these, the telephone, was developed and successfully demonstrated in Boston by Alexander Graham Bell in 1875. In 1883, telephone service between New York and Chicago was inaugurated. By 1900, there were 1,335,911 telephones in use in the United States; in 1967, the 100 millionth telephone in America was installed.

As America grew in the late nineteenth century, both in terms of economic enterprise and in terms of the expansion westward, so too did our banking systems. Then as now, access to capital was essential for business growth. The uniquely American drive for homeownership, best symbolized by the homesteading of the West, led to the formation of community-based financial institutions. The first savings bank in America, the Provident Institution for Savings in the Town of Boston, was chartered in 1816.



A busy hour on Washington St. in the early 1900's. Courtesy of The Boston Athenaeum.



The Boston Daily Globe

ROOSEVELT ORDERS BANK HOLIDAY TILL FRIDAY
CALLS SESSION THURSDAY; BANS GOLD EXPORT

President's Proclamation Provides For Use of Clearing House Scrip to Keep Business Operating; Banks May Keep Open With Woodin's Permission and Handle New, 100 Percent Liquid Accounts; Treasury Denies Flatly That Step Means Gold Standard Is Being Abandoned

STATE MUST FALL IN LINE, SAYS CUT; AWAITS GOV ELY

ELY REASSURES THIS STATE THAT BANK HOLIDAY IS HELP

Broadcasts Appeal For Faith From Capitol Before Starting Home—Hits Out of Group in New York and at Money Hoarders

BILL TO GIVE GOV RECORD POWERS

Committee Unveils Plan for Legislation Today

THE TEXT OF THE PRESIDENT'S PROCLAMATION

Drastic Wartime Law Invoked Barring Trading With Enemy To Take Control in Crisis

Roosevelt Made Himself Ready Two Months Ago to Meet Situation Under Statute

GERMANY BACKS BUTLER POLICY

JAMES MORGAN SEES

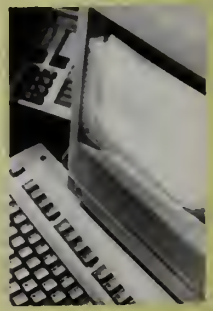
GERMAN SINES, HOPE GOVT UP

March 6, 1933: President Roosevelt declares bank holiday to prevent runs on bank assets. In June, Congress passed the Banking Act of 1933, establishing the Federal Deposit Insurance Company.



Postcard of the City Hospital East Boston Relief Station. Courtesy of the Boston Public Library Print Department. The Thrift Fund and East Boston Savings Bank are providing a $722,000 Participation Loan to restore and modernize the facility for the North Suffolk Mental Health Association, to better serve the clients of this non-profit agency.

Advances in computer technology, many originating here in Massachusetts, made personal computers effective tools for small businesses, education and personal use.



America Comes of Age

The 1890 census recorded 2,238,943 Massachusetts residents. In Chicopee in 1892 two of them, bicycle designers Frank and Charles Duryea, built and tested the first successful gasoline-powered automobile in the United States. By the year 1923, there were some 15 million automobiles traveling America's roadways. In the same year, residents of this state numbered approximately 4 million. This remarkable 79% increase in under thirty year's time is reflective of the tremendous swelling of the U.S. population as a whole during this era's great wave of immigration.

In 1906, Boston City Hospital opened the East Boston Relief Station to provide health services to the great influx of immigrants who made this densely packed section of the city their first stop in America. The building was acquired in 1983 by the North Suffolk Mental Health Association to house its mental health and drug abuse counseling programs.



Launching of U.S.S. Conner
Boston Navy Yard Shipway 2, July 18, 1942.
Courtesy of the National Park Service, Boston National Historic Park, Charlestown Navy Yard.

As the tide of immigration began to slow and a weary nation left World War I behind, a decade of exuberance followed that came to be known as the "Roaring 20's." Symbolic of that era, on May 25, 1928, Amelia Earhart took off from Boston in her airplane, *Friendship*, to fly across the Atlantic. But the 1920's were also marked by financial excesses that have certain parallels in the 1980's. These excesses were largely responsible for the Great Depression and the near total failure of our banking system. The late 1980's were to bring some of the largest bank failures since the Depression. Fortunately, the protective mechanisms created in the thirties have served to stabilize the system in this crisis.

In the worldwide fallout from the Great Depression can be found the roots of World War II; itself widely viewed as the definitive event of the 20th Century. This, the largest war in history, would alter the world irrevocably and thrust the United States into political and economic superpower status.

Necessity being the mother of invention, military requirements of the war unleashed a surge of creative energy from which the last forty-five years of innovation have flowed. From the patenting of Dr. Land's Polaroid camera in 1947, to the evolution of Route 128's high technology belt, Massachusetts has remained at the forefront.



The AT&T VideoPhone 2500 is the world's first motion, full-color videophone that works over existing telephone lines.



World Trade Center, Boston: focal point for a growing import-export market.



Massachusetts Biotechnology Research Park, Worcester, Massachusetts. A unique public-private partnership.



Danvers Savings Bank, one of the top SBA lenders in the region, provides essential credit for expanding small businesses.



Caritas Communities, Inc., SRO housing site in Boston. Under the Thrift Fund's new CRA Initiative, the Fund and Brookline Savings Bank are providing $680,000 in financing for this community housing project.

A New Economic Order

As the nineteen hundreds rapidly count down to the year 2000 and the start of a new millennium, the outline of a twenty-first century economy whose horizons are defined far less by national boundaries than by competitive strength and degree of innovations becomes clear. Building on the twin foundations of our pioneering high technology networks and our concentration of world-class institutions of higher learning, Massachusetts is uniquely positioned to capitalize on a new world economic order. As the Cold War peace dividend becomes payable, Massachusetts stands to benefit greatly, as it did with the growth of the Route 128 technology belt after World War II. In 1991 alone, 25% of all commercial applications of declassified U.S. military technology occurred here.

Already a leader in the field of biotechnology, our state is also gaining a significant share of an emerging teleconferencing industry. In the very near future, Alexander Graham Bell's invention will have evolved to such an advanced communications technology, that sounds and images together will be instantaneously and inexpensively transmitted via satellite, directly into homes and offices worldwide, making us a truly global village.

Focusing our attention across the great expanse of ocean as our sea captains did two hundred years ago, we are poised to re-establish Massachusetts and its intricately linked New England economy as one of the great international trade centers of the Atlantic Rim. At the same time, our national banking system is in the throes of an often painful consolidation that will, nevertheless, better enable us to function in this evolving global economy.

Our economic well-being however, requires more than can be delivered by multinational financial institutions alone. It is essential to our quality of life that we maintain a strong community banking system which will continue to do what it does best: provide affordable housing for our workforce, finance growing small businesses and support important community projects. The Thrift Fund's Community Reinvestment Access (CRA) Initiative seeks to re-invigorate, through public-private partnership, a community banking system whose roots lie in the nineteenth century. By doing so we can encourage more financing of constructive efforts such as Caritas Communities Inc.'s affordable single room occupancy (SRO) project in Boston's Fenway area.

February, 1992



With my appointment as Secretary of Consumer Affairs just over a year ago, I assumed a variety of public roles, among them serving as Chairman of the Thrift Fund Board of Directors. This experience has certainly stood as one of the more interesting and positive of the past year. I have been excited by the public-private partnerships I have seen forged by the Thrift Fund, because I believe such partnerships are essential to a more competitive state economy.

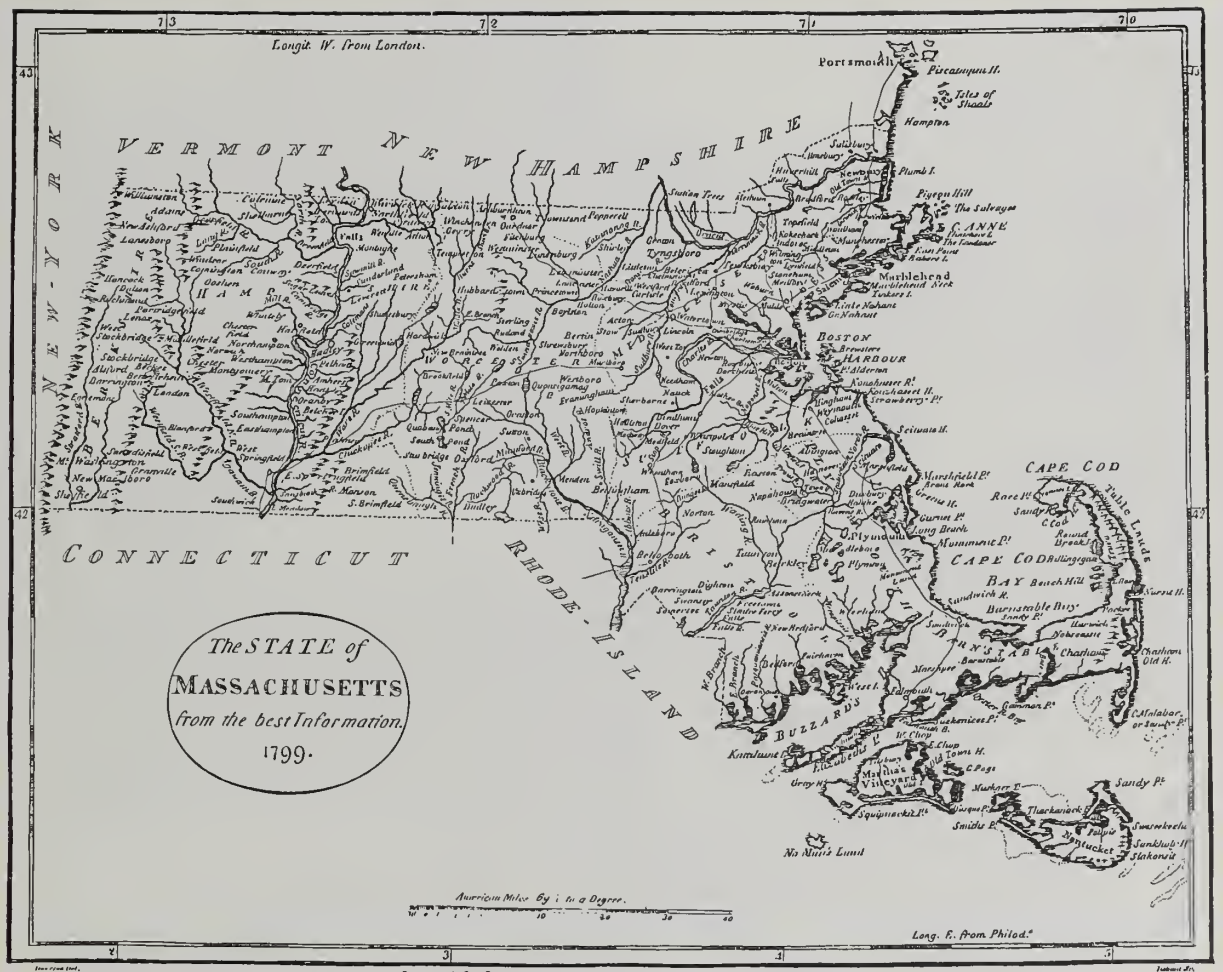
Working with the Thrift Fund Board and staff, I have seen first-hand how private and public resources in creative combination can stimulate economic development and make available greater amounts of financing for important community purposes. Financing mechanisms such as our Participation Loan Program and our new CRA Initiative have proven extremely beneficial for all parties concerned. By successfully drawing thrift banks into joint lending ventures with the Fund, we help serve the needs of Massachusetts businesses and, at the same time, assist community banks in better meeting their CRA objectives.

The Thrift Fund's new CRA Initiative is an especially innovative and resourceful strategy for meeting economic development financing needs, and for linking locally-based lending institutions together with solid community reinvestment lending opportunities. In partnership with Brookline Savings Bank, the Fund in November issued its first CRA loan commitment to finance an affordable single room occupancy housing project in the Fenway area of Boston.

Given our current economic environment, such cooperative efforts are in the best interests of both the public and the private sectors. As a number of institutions have discovered, financing community and economic development projects in partnership with the Fund can be both an uncomplicated and a rewarding experience. The Thrift Fund's Board of Directors with its combined business, banking, and community service skills, has established reasoned, workable policies for these lending programs. The Fund's programs are effective because the Board and staff work hard to facilitate the formation of simple, mutually beneficial public-private partnerships. With programs such as these offered by the Thrift Fund, the public and the private sectors can often better coordinate their efforts, and thus help build a stronger economic future for our state and local economies.

Gloria C. Larson

Gloria C. Larson
Secretary of Consumer Affairs
Chairman, Thrift Fund


Longit. W. from London.
VERMONT
NEW HAMPSHIRE
NEW-YORK
CONNECTICUT
RHODE-ISLAND
The STATE of
MASSACHUSETTS
from the best Information.
1799.
Portsmouth
Piscataqua H.
Isles of Shoals
Hampton
Salisbury
Newbury
Newbury Port
Plumb I.
Pigeon Hill
The Salvages
C. ANNE
Marblehead
Boston
HARBOUR
Hingham
Weymouth
Scituate H.
CAPE COD
Race Pt.
Sandy Pt.
C. Cod
Truro
Provincetown
Table Lands
Wellfleet
Eastham
Orleans
Barnstable
Yarmouth
Chatham
Old H.
C. Malabar or Sandy Pt.
Marshfield
Duxbury
Plymouth
Sandwich
Falmouth
Martha's Vineyard
Edgartown
Holmes's Hole
Sandy Pt.
Tarkwarick
Tolpus
Swanekeete
Sankkuk H.
Slakonit
No Mans Land
Statute Miles By 1 in a Degree.
Long. E. from Philad.a
Engraved for Payne's Geography. Published by I. Low, New-York.



Massachusetts obsolete bank notes, U.S. fractional currency, and U.S. silver certificate courtesy of the Massachusetts Historical Society.

Participation Loans

	Borrower	Location	Member Bank	Total Commitment	Type of Business	Jobs Created or Retained
	Boston Bridge & Iron	Dorchester	Braintree Savings Bank	$ 650,000	Structural Steel Erection	53
m/f	Boston Citywide Land Trnst	Boston	Neworld Bank	1,449,927	Limited Equity Cooperative	
	Breakthrough Vehicles	N. Easton	North Easton Savings Bank	150,000	Van Modification for Disabled Drivers	13
	Caritas Communities, Inc. (CRA Loan)	Boston	Brookline Savings Bank	340,000	SRO Housing	
m/f	Classical Foods	Peabody	Danvers Savings Bank	350,000	Food Service	30
	Concord Museum	Concord	Middlesex Savings Bank	1,500,000	Museum	25
	Dalton Avenue Plaza	Pittsfield	Berkshire County Savings Bank	2,000,000	Commercial Revitalization	30
	Grass Roots	Holliston	Medway Savings Bank	315,000	Lawn & Landscape Services	13
	Historic Stores Association	New Bedford	Boston Five Cents Savings Bank	4,200,000	Retail & Office Building	280
	Hollywood Limonsine	Danvers	Danvers Savings Bank	625,000	Livery Service	22
	Minoan Realty Trnst	Salem	Eastern Bank	4,880,000	Commercial Real Estate Dev.	
	Monnment Square Realty Trnst	Fitchburg	Fitchburg Savings Bank	960,000	Retail & Office Building	80
	New Perspective School	Brookline	Brookline Savings Bank and Coolidge Corner Cooperative Bank	490,000	Educational	15
	North Suffolk Mental Health Association	E. Boston	East Boston Savings Bank	722,000	Health Care	112
	OMT Fashions	Mendon	Milford Savings Bank	960,000	Mfg. of Costume Jewelry	45
	Optical Micro Systems	Danvers	Warren Five Cents Savings Bank	500,000	Mfg. of Micro Surgical Instruments	45
	Original Italian Pasta (Trio's)	Chelsea	Danvers Savings Bank	500,000	Mfg. & Dist. of Pasta Products	15
	Regional Waste Services	Peabody	Salem Five Cents Savings Bank	4,100,000	Solid Waste Disposal	112
m/f	Walnut Building	Roxbury	Neworld Bank	557,928	Elderly Housing	17
	Yankee Candle Co.	S. Deerfield	Heritage Bank for Savings	3,065,000	Mfg. of Candles	180
	Zeiterion Theatre	New Bedford	New Bedford Inst. for Savings	400,000	Performing Arts Center	52
	Total			**$28,714,855**		**1,059 jobs**

** m/f minority and/or female enterprise*

Direct Loans

	Borrower	Principal Location	Amount	Type of Business	Jobs Created or Retained
	American Garter	Ware	$ 435,000	Retail	96
	Ameriplast Corp.	Chicopee	1,000,000	Mfg. of Plastic Food Packaging	75
	Andrew Wilson	Lawrence	800,000	Mfg. of Metal Shelving	200
	Atlantic Thermoplastics	Blackstone	300,000	Mfg. of Molded Products for Shoe Inds.	12
	B & J Mfg. Co.	Taunton	500,000	Mfg. of Gift Jewelry	120
	Bay State Spray	Boston	1,500,000	Water Transportation	35
	Baystate Energy Service	Taunton	315,000	Mfg. of Industrial Equipment	145
	Beresford Packaging	Taunton	400,000	Mfg. of Plastic Shopping Bags	125
	Bergeron Paper	Fitchburg	32,500	Mfg. of Paperboard Packaging	13
	Berkley Farms	Berkley	440,000	Hydroponic Tomato Farming	46
	Berkshire Corp.	Gr. Barrington	200,000	Mfg. of Specialty Papers & Cloth	30
	Boston Opera Company	Boston	600,000	Performing Arts	
	Brilo Corp.	Salem	400,000	Mfg. of Above Ground Pools	50
	Broken Wharf Realty Trust	Plymouth	875,000	Gift Store & Floral Shop	37
	Camex, Inc.	Boston	650,000	Mfg. of Computer Graphics	128
	Catamount Mfg.	Leominster	650,000	Mfg. of Plastic Molded Fasteners	92
m/f	Children's World Educ. Ctrs., Inc.	Boston	100,000	Child Care	23
	Clean Harbors	Braintree	3,500,000	Pollution Cntrl. & Haz. Waste Disposal	300
	The Community Builders	Boston	566,000	Affordable Office Space for Nonprofit Orgs.	360
	Compression Products	Sheffield	300,000	Mfg. of Preforms	17
	Cunningham Woodland	Whitman	200,000	Prepackaged Medical Dressing Trays	65
	Datawatch Corp.	Wilmington	450,000	Mfg. of Computer Workstations	102
	Decorative Coverings	Wakefield	2,000,000	Mfg. of Wall Coverings	445
m/f	Dimock Community Health Center	Roxbury	840,000	Health Center	25
	Downside Enterprises	Springfield	250,000	Wholesale Dist. of Surplus Goods	26
m/f	Edgartown Refuse	Chilmark	425,000	Waste Management	12
m/f	Elizabeth Stone House	Jamaica Plain	496,000	Women's Transitional Housing	
	Engineering & Sales Assoc.	Springfield	225,000	Mfg. of Custom Test Equipment	40
	Flint Village Plaza	Fall River	650,000	Development of Commercial Space	250
	Frem Corp.	Worcester	700,000	Mfg. of Plastic Molded Housewares	255
	Gloucester Corp.	Lynn	900,000	Processor & Dist. of Shrimp & Scallops	108
	Heritage Albums	Holyoke	500,000	Mfg. of Photograph Albums	120
	High Seas Corp.	Fall River	465,000	Fishing Vessels	140
	Housatonic Railroad	Berkshire County	300,000	Railroad Rehabilitation	18
m/f	Input Output Computer Services	Waltham	600,000	Computer Network Systems	205
m/f	Jet-a-Way, Inc.	Roxbury	500,000	Solid Waste Disposal	79
	Katama Farms	Martha's Vineyard	750,000	Dairy Farm	9

	Borrower	Principal Location	Amount	Type of Business	Jobs Created or Retained
	Kenwood Farm	Georgetown	$ 900,000	Thoroughbred Race Horse Breeding	35
m/f	Kopin Corp.	Taunton	500,000	Mfg. of Semiconductor Material	70
	Kramer Scrap	Greenfield	325,000	Scrap Metal Converter	70
	Lake Industries	Stoneham	60,000	HVAC Contractor	40
	Lightlife Foods	Greenfield	260,000	Tofu Food Products	25
	Mass. Protein Products	New Bedford	750,000	Processor of Fish Waste	70
	Multi-Core, Inc.	Andover	750,000	Mfg. of Multilayer Circuit Boards	210
	Museum Place Realty Trust	Salem	1,425,000	Retail & Office Space	35
m/f	Native Poultry	Chelsea	500,000	Processor & Dist. of Meats	120
	N.E. Aquatics Center	Danvers	300,000	Recreational and Therapeutic Facility	6
	N.E. Digital Dist.	Beverly	780,000	Telecommunications	50
	Old Mother Hubbard	Lowell	421,500	Mfg. of Pet Foods	105
	Park St. Lodging House	Dorchester	250,526	SRO Housing	2
	Parry Footware	Cambridge	200,000	Mfg. of Men's Slippers	65
	Payne Cutlery	New Bedford	500,000	Mfg. of Scissors	192
	Plymouth Rubber Co.	Canton	1,250,000	Mfg. of Rubber & Vinyl Tapes & Bands	410
	Professional Brush Co.	Northampton	1,100,000	Mfg. & Dist. of Toothbrushes	100
	Rite Foods, Inc.	Boston	400,000	Fish Processor	60
	Robert J. Finnegan & Assoc.	Concord	250,000	Appraisal Company	115
	Runtal North America	Haverhill	400,000	Mfg. of Radiators	110
	Savage Industries	Westfield	1,500,000	Mfg. of Sporting Rifles	450
	677 Beacon Realty Trust	Boston	850,000	Reasearch Inst. for Circadian Physiology	120
	Southeastern Econ. Dev.	Taunton	120,000	Non-Profit CDC	469
	Taunton Silversmiths	Taunton	1,000,000	Mfg. of Silver & Gold Plate	122
	Techni Products Inc.	E. Longmeadow	300,000	Contract Machine Center	40
	Tomkins Corp.	Whitinsville	250,000	Mfg. of Machinery & Equipment	35
	Tomsun Foods	Greenfield	500,000	Mfg. of Soybean Food	60
	Transportation Management, Inc.	Orange	450,000	Freight Hauler & Contract Carrier	19
	Transcriber, Inc.	Taunton	1,800,000	Mfg. of Electronic Accessories	79
	300 Shawmut Avenue	Boston	270,000	SRO Housing	2
	Trio's	Chelsea	300,000	Mfg. & Dist. of Pasta Products	24
m/f	Vispy's Enterprises	Framingham	257,789	Mfg. & Dist. of Bakery Products	16
m/f	Warren St. Realty Trust	Roxbury	475,000	Affordable Housing & Commercial Development	5
	Weblock	Fall River	368,000	Mfg. of Textiles	22
	Whittenton Garment	Fall River	255,500	Mfg. of Apparel	211
	Wolverine Corp.	Merrimac	500,000	Mfg. of Industrial Process Machinery	200
	Xenon	Woburn	250,000	Mfg. of Laser Pump Sources	26
	Total		**$44,582,815**		**7,593 jobs**

** m/f minority and/or female enterprise*

Board of Directors



From the top:

Philip E. Lamb, *Chairman, President and CEO, Springfield Institution for Savings,*
Vice Chairman, Thrift Fund
Peter B. Morin, *Esqaire*
Robert H. Studley, *Chairmaa and CEO, Eastern Bank*
Harry T. Daniels, *Senior Partner, Hale & Dorr*
James G. Zafris, *President and CEO, Danvers Savings Bank*
Thomas R. Venables, *President and CEO, Grove Bank,*
Chairman, Thrift Fund Executive Committee
Harold L. Goldsmith, *President and CEO, South Shore Cooperative Bank*
Daniel Dennis, *CPA, Daniel Dennis Associates,*
Chairman, Thrift Fund Audit Committee
Walter A. Kinell, Jr., *President and CEO, Westboroagh Savings Bank*
Gloria C. Larson, *Massachusetts Secretary of Coasumer Affairs,*
Chairman, Thrift Fund
Jacqnie L. Kay, *President, WPI, Inc.,*
Treasurer, Thrift Fund
Not pictured:
Robert L. Beal, *Executive Vice Presideat, the Beal Companies; Chairman, MIFA*
Paul D. Bozzini, *Presideat and CEO, Milford Federal Savings & Loan Association*
James P. McDonough, *President and CEO, Abington Savings Bank*
Arthur Platt, *President, Quabbin Management Inc.,*
Secretary, Thrift Fund

Acknowledgements

The Board of Directors and Staff wish to express their sincere appreciation to these former Directors for their outstanding service and leadership on the Fund's behalf:

Donald R. Eldridge, *Former Chairman and CEO, Abingtoa Savings Bank*
Michael Padnos, *Attoraey aad Real Estate Developer*

Once again we extend thanks to the members of the Loan Review Committee for their wise counsel and expert advice:

Vitold J. Adimonis, *Senior Vice President, Worcester County Iastitution for Savings*
John W. Hosmer, Jr., *Senior Vice President, Cambridge Savings Bank*
and to
John W. Fridlington, (formerly Executive Vice President of Heritage Bank for Savings) our special thanks and best wishes in his new position and home. Massachusetts' loss is Maine's gain.

Legal Counsel: **Hill & Barlow**
Independent Auditors: **KPMG Peat Marwick**
Annual Report Graphic Design: **Fahrenheit**
Photography : **Kent Dayton**

The Role of the Thrift Fund

The problems and opportunities Massachusetts faces in the 1990's obviously cannot be addressed by any single entity alone. The measure of our success as we encounter a new world economic order, will depend largely on the manner in which we coordinate the efforts of a multitude of players, both private and public.

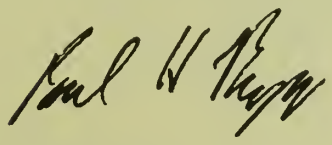
In confronting this challenge, Massachusetts enjoys a number of clear advantages. It has a diverse business base, exceptional intellectual resources, and a wide array of public-private mechanisms with which to stimulate economic development.



Thrift Fund Staff (from left):
Anne L. Good, *Office Manager;*
Michael F. Wilson, *Program Manager;*
Paul H. Rupp, *Executive Director;*
Susan B. Winter, *Communications Officer*

Within this larger framework, the Thrift Fund fills a small yet significant niche. Established relationships with our more than 240 constituent financial institutions statewide, uniquely positions us to forge working partnerships with local banks in furtherance of community economic development goals.

The Thrift Fund both functions as an active lending partner through its Participation Loan Program and CRA Initiative, and provides smaller financial institutions with a point of access to other public programs as well. In this capacity, we encourage greater involvement of these locally-based institutions in fostering small business growth, increasing the supply of affordable housing, and enabling community groups to achieve their public benefit objectives. In this role we do our part to enhance the state economy as a whole.



Paul H. Rupp
Executive Director



Waltham watch courtesy of Polly Becker.
1869 Massachusetts National Bank check
courtesy of Richard O. Card.

Massachusetts Public Investment Fund for Economic Development
50 Congress Street
Boston, Massachusetts 02109

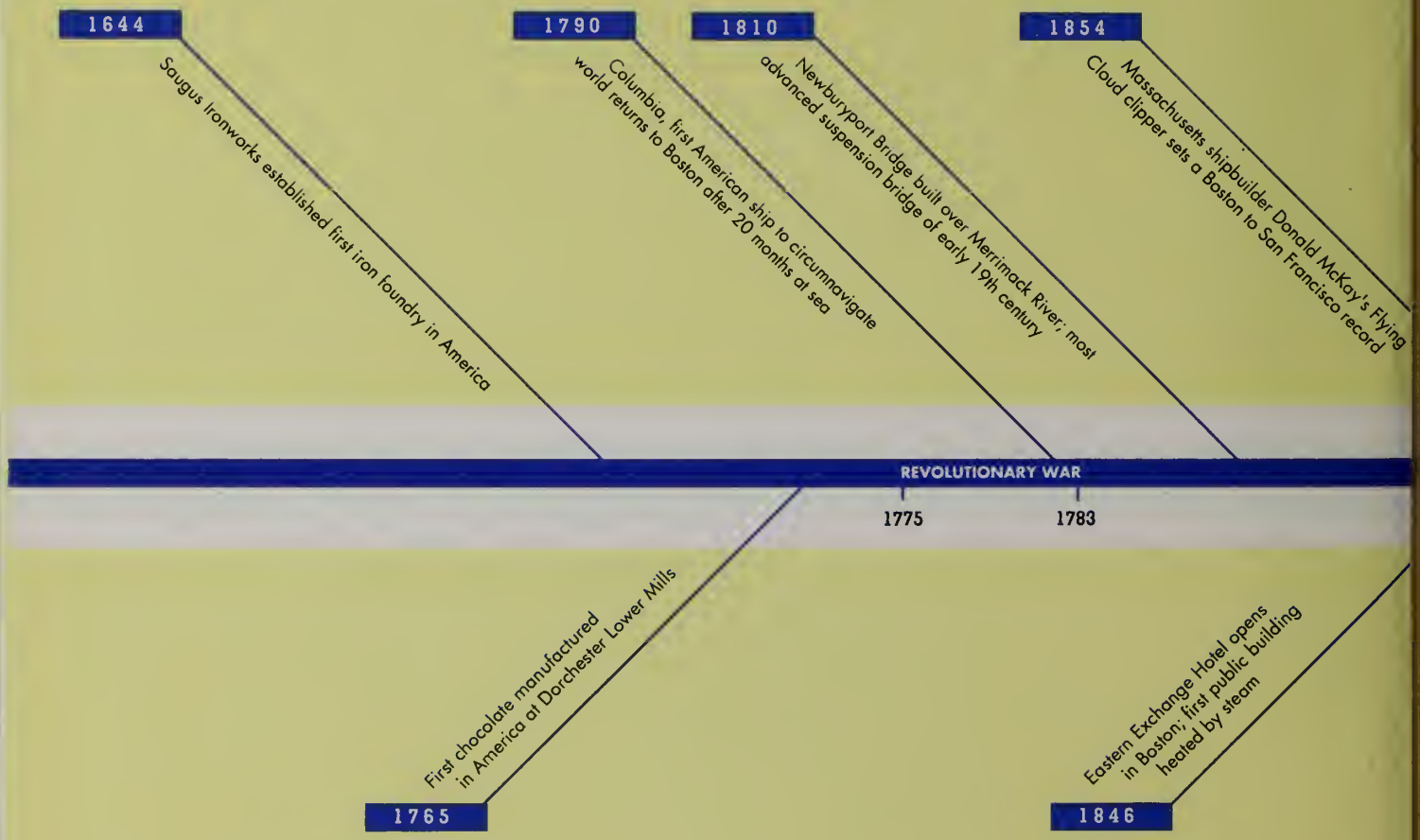
(617) 227 0001



Massachusetts Thrift Institutions Fund for Economic Development
50 Congress Street
Boston, Massachusetts 02109

(617) 227-0404

Waltham watch courtesy of Polly Becker
1969 Massachusetts National Bank check
courtesy of Richard O. Card


1644
Saugus Ironworks established first iron foundry in America
1790
Columbia, first American ship to circumnavigate world returns to Boston after 20 months at sea
1810
Newburyport Bridge built over Merrimack River: most advanced suspension bridge of early 19th century
1854
Massachusetts shipbuilder Donald McKay's Flying Cloud clipper sets a Boston to San Francisco record
REVOLUTIONARY WAR
1775
1783
First chocolate manufactured in America at Dorchester Lower Mills
1765
Eastern Exchange Hotel opens in Boston; first public building heated by steam
1846

MASS. Y3.TF1: 1/992

Massachusetts Thrift Institutions Fund for Economic Development

1992 ANNUAL REPORT

GOVERNMENT DOCUMENTS COLLECTION
APR 29 1993
University of Massachusetts
Depository Copy



DEDICATION

The Thrift Fund 1992 Annual Report is dedicated to the memory of Arthur H Platt, a charter member of the Thrift Fund Board of Directors and the Fund's Secretary, who died of AIDS in September of 1992 Mr Platt who was President of Quabbin Management in Orange, MA, was extremely active in his community Helping to revive the North Quabbin Chamber of Commerce in 1982, he became its president that same year He was honored as the chamber's Citizen of the Year in 1985 Last May Mr Platt received the North Quabbin Chamber of Commerce's first economic development award He was also chairman of the Royalston Planning Board In his seven years as a Director, he was a tireless advocate for the Fund's public benefit goals and objectives His presence is deeply missed




...PARTNER IN COMMUNITY REINVESTMENT



A MESSAGE FROM GOVERNOR WELD

Dear Friends,

A revitalized Massachusetts ecanamy, paised ta take full advantage of the new glabal econamy af the twenty-first century, must be diverse and multi-faceted. It must be built fram a number af campanents; manufocturing as well as high technalagy and bio-technalagy, small business os much as financial and informotion services.

A vital and re-energized state ecanamy will alsa cantinue ta be dependent upon the quality af life which aur cammunities offer. Ta maintain aur campetitive edge, we must remoin an attractive place ta entrepreneurs and a skilled workforce alike.

Massachusetts has a lang and praud traditian af invalvement in cammunity life. It is this traditian as much as the jab appartunities we create and the appeal of our stote's natural beouty which mokes Massachusetts a desirable ploce in which ta live and wark.

The Thrift Fund, thraugh its innavative Community Reinvestment Access Initiative, is advoncing prajects which maintain our quality of life and preserve aur sense af community. By becaming a full working portner with lacal banks in the financing af small business develapment as well as cammunity-based housing, educatianal and saciol service initiatives, the Thrift Fund ploys a key rale in aur effarts ta build a strang and diverse state ecanomy.

Bill Weld

William F. Weld

Gavernar

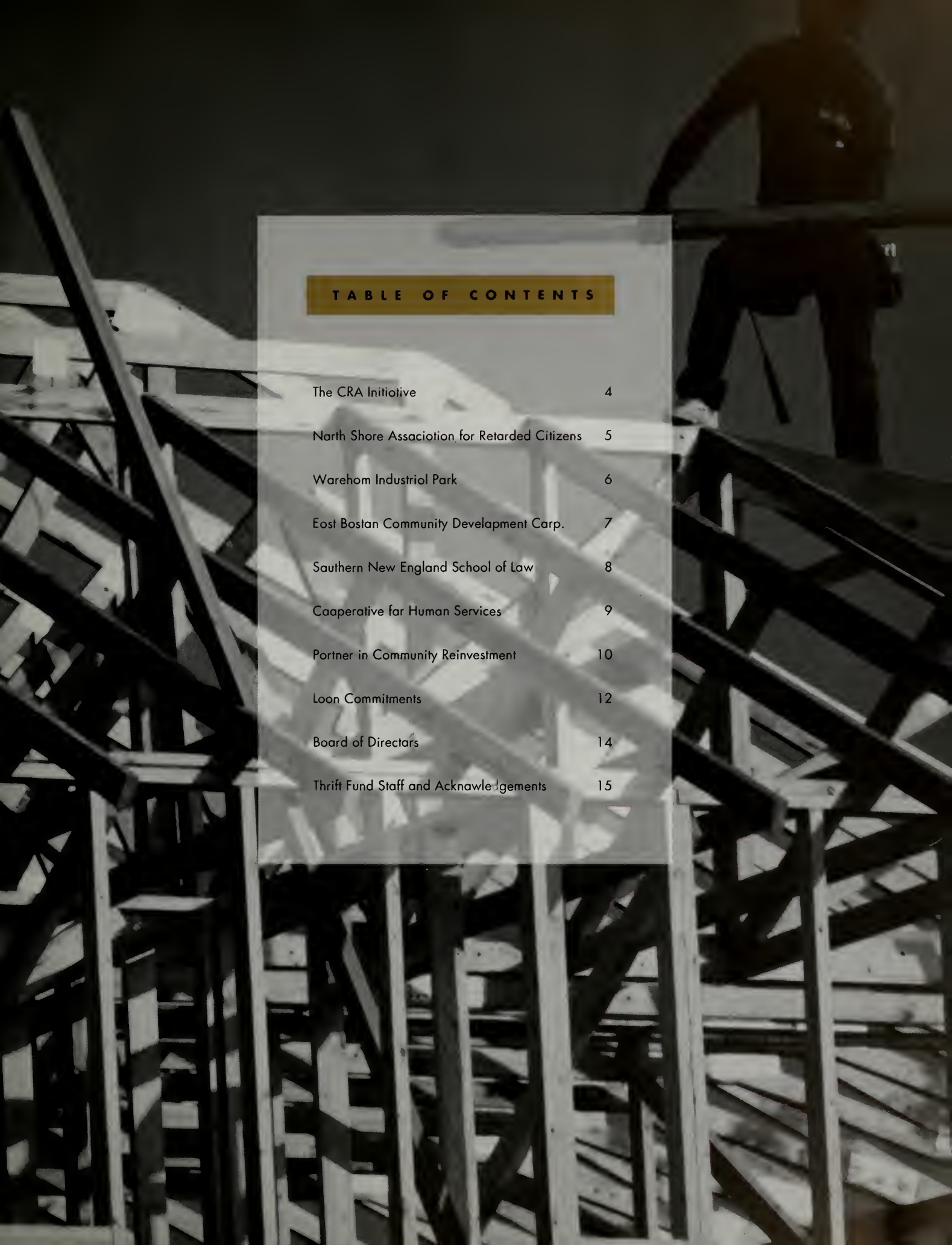


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THE CRA INITIATIVE

The Community Reinvestment Act's (CRA) enabling provisions were created in the fall of 1991 as a $15 million revolving loan fund. The program exclusively to assist community banks in their local reinvestment efforts and to better serve eligible borrowers undertaking economic development and public purpose projects. The program provides investor banks ready access to a working pool with reasonable financial and technical resources which can support their community reinvestment efforts. With the Fund's assistance, community banks are becoming better situated to meet the sometimes specialized needs of local development projects.

The CRA Initiative is designed to encourage and support community oriented thrifts as they work toward increasing their local lending activity as mandated by the Community Reinvestment Act. Its structure enables the Fund to enter into joint lending arrangements with individual banks to create combined financing packages of up to $1 million for a wide range of eligible community reinvestment activities; including small businesses, mature industries, affordable housing, downtown commercial developments and non-profit organizations. Funds are available for real estate mortgages, equipment acquisition loans, working capital, bridge financing, product development, permanent and construction financing. The application process is specifically tailored to fast-track approvals and requires a minimum of paperwork.

As a revolving source of funds, The CRA Initiative has the potential to generate more than $60 million in financing for community and economic development purposes. Since the program's inception, five loans have been approved, amounting to $1.2 million in commitments.

In April of 1992, The CRA Initiative received the National Council for Urban Economic Development's first annual Economic Development Program Award which recognized outstanding and innovative programs in economic and business development. The Fund's program was selected from a large number of submissions from around the country and was chosen because it demonstrates an investment in economic development which leverages community bank resources with other state, federal, and private economic development programs.



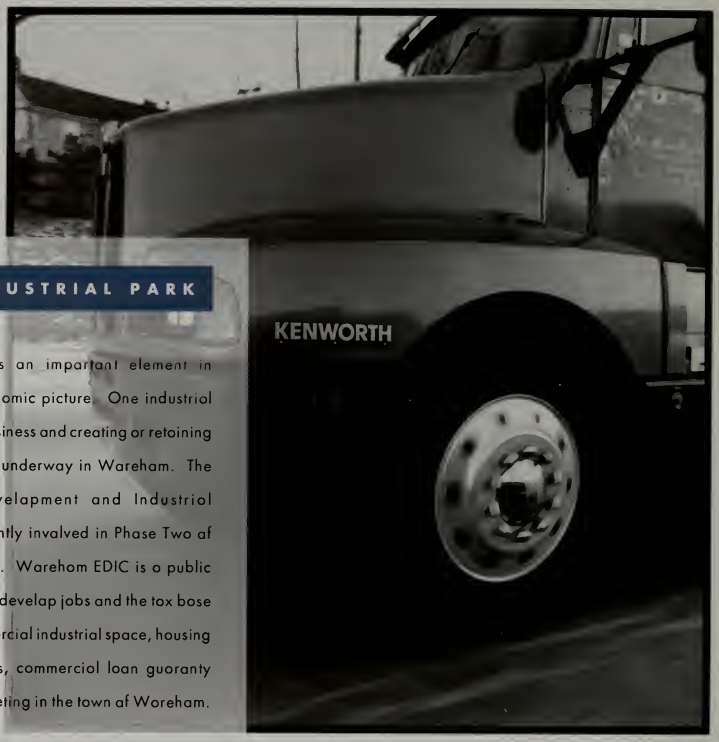
NORTH SHORE ASSOCIATION FOR RETARDED CITIZENS

The demand for special needs housing is increasing as the special needs population, like the population in general, grows and ages. The North Shore Association for Retarded Citizens (NSARC) is a not-for-profit organization providing much needed resources and programs for people with mental retardation and multiple handicaps, including evaluation, counseling, training and job placement, and perhaps most significantly, residential housing.

With help, in the form of a $760,000 CRA Initiative Loan financed by the Thrift Fund and Heritage Cooperative Bank in Salem, NSARC renovated and converted a failed condominium project in the expanded Thorndike Tavern Building near downtown Beverly into special needs residential units for local, working retarded adults. The renovation/expansion project aesthetically preserves and compliments the period features of the circa 1765 building, and the design of each unit includes all modern conveniences and safety features, and is varied to accommodate a range of living needs. In addition, the project will create 25 new positions and is accessible to public transportation, retail stores, restaurants and other services. The end result is the opportunity for working retarded adults to live in and be a fully functional part of a community.



Gerard McCarthy
Executive Director of NSARC



WAREHAM INDUSTRIAL PARK

Industrial development is an impartant element in this state's complete ecanomic picture. One industriol project aimed at attracting business and creating or retoining emplayment appartunities is underway in Wareham. The Wareham Ecanamic Develapment and Industriol Corparatian (EDIC), is currently invalved in Phase Two af the Wareham Industrial Park. Warehom EDIC is o public purpase agency chartered to develap jobs and the tox bose by; the development af cammercial industrial space, housing rehabilitatian laan pragrams, commerciol loan guoranty pragrams, and general marketing in the town af Woreham.

With a $350,000 CRA Initiative Laan fram the Thrift Fund and Mayflawer Caaperative Bank, a new roadway will be built, accessing additianal land in the Wareham Industrial Park far use. The praject will retain and create a tatal af 165 jabs, including af caurse, much needed canstructian jabs. In additian ta praviding an ecanamic boast ta the Wareham area thraugh the creatian af jobs, the project will add ta the tawn's tax bose and, upan completion, is expected ta attract new businesses and their emplayees ta the Wareham area.



EAST BOSTON COMMUNITY DEVELOPMENT CORP.

More than ever, an adequate supply of affordable housing is a major concern for Massachusetts. In a place such as East Boston, which has a growing population in danger of homelessness, as well as an influx of new immigrants in need of housing, this problem is particularly evident. Fortunately, non-profit neighborhood-based groups are addressing this problem with zeal. The East Boston Community Development Corporation (EBCDC) is one of many organizations dedicated to enhancing the quality of life of low and moderate income residents through economic development activities, business development, physical development, and human services.

With a $1.144 million Participation Loan from the Thrift Fund and East Boston Savings Bank, the EBCDC will acquire and renovate as affordable housing 13 buildings, distributed among five locations around East Boston, which together contain 38 units. Eight units are currently occupied, and tenants will be relocated to completed units or other suitable alternative housing while rehabilitation is in progress. Besides providing families in need an opportunity for a better way of life, the renovation effort will improve the surrounding neighborhoods and exemplify a clear commitment to revitalization of the East Boston community.



Al Caldarelli, *President and*
Sal Colombo, *Project Director of EBCDC*

SOUTHERN NEW ENGLAND SCHOOL OF LAW

A gaad educotion con open the door to o whole new warld of opportunities. Many people who wish to further their educotion ond improve themselves aften do not get the chance, due to time restroints ond vorious responsibilities, which sometimes stand in the woy of that gaol. The Southern New Englond School of Low (SNESL) provides opportunities geared toword the needs af those who wont o legol educotion, but becouse of fomily or work respansibilities connot ottend o troditionol progrom, ond to those professionols looking to enhonce their knowledge of the low, by offering on extended night ond weekend progrom. Whether or not students intend to proctice low, mony will use the degree to enhonce their coreer poths. Of the 359 students currently enrolled in the low school, 59 ore full time students, ond 300 ottend the extended weekend progrom.



SNESL wos opproved by the Mossochusetts Boord of Regents in 1988 to confer Juris Doctor degrees. Students receiving the degree ore eligible to toke the Mossochusetts Bor Exom ond, if they poss, proctice low in the stote. The law school plans to opply for opprovol by the Americon Bar Associotian, and is oiming for ABA opprovol in 1995. In order to quolify, the exponsion of focilities ond the purchase af 35,000 additional volumes for the librory are required. The Thrift Fund ond New Bedford Institutian far Savings ore ossisting the low school with o $2.5 millian Participotion Loon. The project will consist of the construction of o lorger three-story building containing eight closs rooms, librory spoce, odministrative offices, o bookstore, ond o student lounge. Canstruction is scheduled for completion by the opening of the Foll 1993 semester. Becouse of the ropid growth of prospective low school students' applications, the low tuition costs offered by SNESL, and the foct that SNESL is the anly Mossachusetts low school sauth of Bostan, SNESL is expected to ploy a key educationol role for the Southeastern port of the stote in coming years.



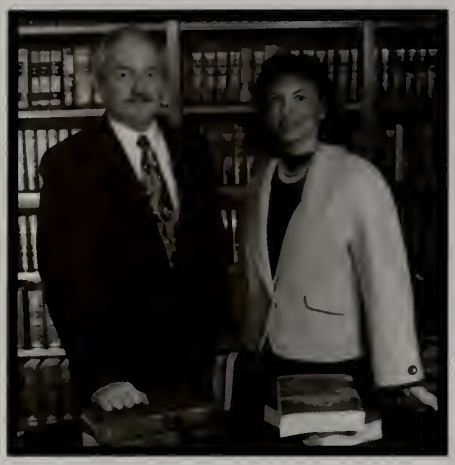
THE COOPERATIVE FOR HUMAN SERVICES

Developmentally disabled individuals are often not regarded as functioning members of their community. Many believe that individuals with complicated medical and psychiatric diagnoses cannot live safely in the community and instead require institutional care. The Caoperative for Human Services (CHS) is a Malden-based organization dedicated to helping adults with developmental disabilities become more functional members af their community. CHS provides innovative residential and supportive services for these individuals, sa they may enjoy a mare traditianal home lifestyle.

CHS has been operating residential pragrams out of three leased, single-family houses in the city of Medford, using them as homes for twelve very low-income residents with developmental disabilities. These homes, besides being specially designed to accommodate the changing needs of the residents, also provide security and stability in the clients' lives. In arder to further secure this program and prevent any potential displacement of the individuals currently living there, CHS decided to purchase the properties, ensuring the availability of community-based housing far persons with developmental disabilities on a long-term basis. CHS was able to accomplish this with a $518,000 CRA Initiative Loan from the Thrift Fund and Medford Cooperative Bank.



The need for community housing for the develapmentally disabled has grown significantly larger as persons with mental retardation or emotional disorders become homeless and crowd emergency shelters, as young adults turning 22 are no longer eligible for special educatian pragrams, and as increasing numbers of aging parents and care-givers search far suitable residential options for their developmentally disabled family members. Organizations such as the Caaperative for Human Services help to provide the caring and secure atmosphere that these special persons require.



PARTNER IN COMMUNITY REINVESTMENT

In 1977 Congress enacted the **Community Reinvestment Act** requiring all financial institutions to meet the credit needs of low and moderate income individuals and to support community development efforts in their respective service areas. Now, some fifteen years later, **CRA** continues to evolve and be debated as a matter of public policy.

While the focus of the CRA issue is generally concentrated an urban centers and large financial institutions, one very simple but important point is frequently overlooked and with it, valuable opportunities lost; the fact of the matter is CRA applies to the very smallest of institutions as well as national and regional banks, and it applies to the smallest of communities as well as the largest metropolitan areas.

Although most larger banks are readily equipped to meet CRA requirements in the normal caurse af business, we find that many of our smaller local banks have fewer resources from which to draw support for community reinvestment activities, and often limited experience in the complex area of public purpose lending. At the same time the Thrift Fund (itself created largely in response ta CRA cancerns) recagnizes that smaller community based institutions represent a tremendous yet often untapped resaurce for lacal economic and community development.

For these reasons, we set out to create a vehicle which would utilize the Fund's substantial financial and technical resources to better leverage community investment by our 232 member banks, representing aver $50 billion in combined assets.

The Thrift Fund's **Community Reinvestment Access Initiative** provides smaller institutions with both a willing lending **partner** and a source of technical assistance in support of local CRA activities and objectives.

Given the first year experience of this innovative new program, as demonstrated by the cases previously described, there obviously exists a demand for financing of modest scale yet important CRA projects in Massachusetts cities and towns. The Thrift Fund is pleased to play a role in bringing them ta fruition through our **CRA Initiative.**

Paul H. Rupp

Paul H. Rupp
Executive Directar

Gloria C. Larson

Gloria C. Larson
Secretary of Consumer Affairs
Chairman, Thrift Fund

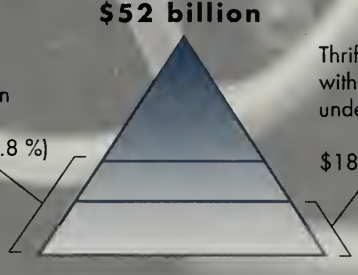
Assets held by Massachusetts thrift institutions compared to those held by all Massachusetts banks.



Assets of all Massachusetts banks (12/31/91)
$144.0 billion

Assets of all Massachusetts thrift institutions (12/31/91)
$52.0 billion = 36 %

Total Assets of all Massachusetts thrift institutions
$52 billion (100%) *



Thrift institutions with assets under $500 million

$29.0 billion (55.8 %)

Thrift institutions with assets under $250 million

$18.4 billion (35.4 %)

** as of 12/31/91*

CRA INITIATIVE LOANS

Location	Member Bank	Type of Business	Principal Amount	Jobs Created/ Retained	
Chase Farms	Barre	Barre Savings Bank	Dairy Farm	150,00.00	N/A
N.S.A.R.C.	Salem	Heritage Cooperative Bank	Handicapped Housing	380,000.00	25
Co-operative for Human Services	Medford	Medford Cooperative Bank	Dev. Disabled Housing	231,000.00	25
Wareham EDIC	Wareham	Mayflower Cooperative Bank	Industrial Park	175,000.00	N/A
Caritas Communities, Inc.	Boston	Brookline Savings Bank	SRO Housing	170,000.00	2

PARTICIPATION LOANS

Location	Member Bank	Type of Business	Principal Amount	Jobs Created/ Retained	
East Boston CDC	E. Boston	East Boston Savings Bank	Low-income Housing	572,000.00	28
Southern N.E. School of Law	New Bedford	New Bedford Inst. for Savings	Law School	1,000,000.00	50
Dalton Ave. Plaza	Pittsfield	Berkshire County Savings Bank	Commercial Revitalization	500,000.00	350
Classical Foods (M/F)	Peabody	Danvers Savings Bank	Food Service	175,000.00	30
North Suffolk Mental Health Association	E. Boston	East Boston Savings Bank	Health Care	361,000.00	450
Concord Museum	Concord	Middlesex Savings Bank	Museum	750,000.00	25
Minoan Realty Trust	Salem	Eastern Bank	Comm. Real Estate Dev.	1,030,000.00	N/A
Monument Square Realty Trust	Fitchburg	Fitchburg Savings Bank	Retail & Office Building	480,000.00	N/A
New Perspective School	Brookline	Brookline Savings Bank & Coolidge Corner Cooperative Bank	Educational Facility	140,000.00	15
Forward, Inc. (M/F)	Roxbury	Newworld Bank	Elderly Housing	278,964.00	17
Gross Roots	Hollister	Medway Savings Bank	Lown & Landscape Services	157,500.00	13
Boston Citywide Land Trust (M/F)	Boston	Newworld Bank	Limited Equity Cooperative	724,963.50	N/A
Original Italian Pasta (Trios)	Chelsea	Danvers Savings Bank	Mfg. & Dist. of Pasta Prods.	250,000.00	55
Regional Waste Services	Peabody	Salem Five Cents Savings Bank	Solid Waste Disposal	2,050,000.00	112
Hollywood Limousine	Danvers	Danvers Savings Bank	Livery Service	312,500.00	22
OMT Fashions	Mendon	Milford Savings Bank	Mfg. of Costume Jewelry	480,000.00	45
Yankee Candle Co.	S. Deerfield	Heritage Bank for Savings	Mfg. of Candles	1,532,500.00	180
New Bedford Historic Stores Association	N. Bedford	Boston Five Cents Savings Bank	Commercial Revitalization	2,100,000.00	N/A
Optical Micro Systems	Danvers	Warren Five Cents Savings Bank	Mfg. of Micro Surgical Instr.	250,000.00	45
Breakthrough Vehicles	N. Easton	North Easton Savings Bank	Van Modif. for Disbld. Drivers	75,000.00	13
Boston Bridge & Iron	Dorchester	Braintree Savings Bank	Structural Steel Erection	325,000.00	53
Zeiterion Theatre	New Bedford	New Bedford Inst. for Savings	Performing Arts Center	200,000.00	52

DIRECT LOANS

Location	Type of Business	Principal Amount	Jobs Created/ Retained	
Burgundy Brook	Edgartown	Dairy Farm	199,217	9
Native Poultry (M/F)	Chelsea	Processor & Dist. of Meats	500,000	120
Heritage Albums	Holyoke	Mfg. of Photograph Albums	500,000	120
Housatonic Railroad	Berkshire County	Railroad Rehabilitation	300,000	18
Transportation Mgmt., Inc.	Orange	Freight Hauler & Contract Carrier	450,000	19
Children's World Educ. Ctrs., Inc. (M/F)	Boston	Child Care	100,000	23
The Community Builders	Boston	Affordable Office Space for Nonprofit Orgs.	566,000	360
N.E. Digital Distributors	Beverly	Telecommunications	780,000	50
Greater Boston Comm. Dev.	Boston	Child Care	3,270,000	23
Warren St. Realty Trust (M/F)	Roxbury	Affordable Housing & Commercial Development	475,000	5
Edgartown Refuse (M/F)	Chilmark	Waste Management	425,000	12
Datawatch Corporation	Wilmington	Mfg. of Computer Workstations	450,000	102
Park St. Lodging House	Dorchester	SRO Housing	250,526	2
Lightlife Foods	Greenfield	Tofu Food Products	260,000	25
Input Output Computer Services (M/F)	Wolthom	Computer Network Systems	600,000	205
Brila Corp	Salem	Mfg. of Above Ground Pools	400,000	50
Frem Corp	Worcester	Mfg. of Plastic Molded Housewares	700,000	255
Compression Products	Sheffield	Mfg. of Preforms	300,000	17
Plymouth Rubber Co.	Canton	Mfg. of Rubber & Vinyl Tapes & Bands	1,250,000	410

DIRECT LOANS continued	Locotion	Type of Business	Principol Amount	Jobs Creoted/ Retoined
B&J Mfg. Compony	Tounton	Mfg. of Gift Jewelry	500,000	120
Boystote Energy Service, Inc.	Tounton	Mfg. of Industriol Equipment	315,000	145
300 Showmut Avenue	Boston	SRO Housing	270,000	2
Museum Ploce Reolty Trust	Solem	Retoil & Office Spoce	1,425,000	35
Kotomo Forms	Mortho's Vineyord	Doiry Form	750,000	6
Tounton Silversmiths	Tounton	Mfg. of Silver & Gold Plote	1,000,000	122
Boy Stote Sproy	Boston	Woter Tronsportotion	1,500,000	35
Americon Gorter Co.	Wore	Retoil	435,000	96
Multi-Core Inc.	Andover	Mfg. of Multiloyer Circuit Boords	750,000	210
Kenwood Form	Georgetown	Thoroughbred Roce Horse Breeding	900,000	35
Vispys Enterprises (M/F)	Frominghom	Mfg. & Dist. of Bokery Products	257,789	16
677 Beocon Reolty Trust	Boston	Reseorch Inst. for Circodion Physiology	850,000	120
Techni Products Inc.	E. Longmeodow	Controct Mochine Center	300,000	40
Rite Foods, Inc.	Boston	Fish Processor	400,000	60
Wolverine Corp.	Merrimoc	Mfg. of Industriol Process Mochinery	500,000	200
Professionol Brush Corp.	Florence	Mfg. & Dist. of Toothbrushes	1,100,000	100
Ameriplost Corp.	Chicopee	Mfg. of Plostic Food Pockoging	1,000,000	75
Old Mother Hubbord	Lowell	Mfg. of Pet Food	421,500	105
Dimock Community Heolth Center (M/F)	Roxbury	Heolth Center	840,000	25
Boston Opero Compony	Boston	Performing Arts	600,000	200
N.E. Aquotics Center	Donvers	Recreotionol ond Theropeutic Focility	300,000	6
Tronscriber, Inc.	Tounton	Mfg. of Electronic Accessories	1,800,000	79
Tomkins Corp.	Whitinsville	Mfg. of Mochinery & Equipment	250,000	35
Broken Whorf Reolty Trust	Plymouth	Gift Store & Florol Shop	875,000	37
Whittenton Gormet	Foll River	Mfg. of Apporel	255,500	211
Flint Villoge Plozo	Foll River	Development of Commerciol Spoce	650,000	250
Kopin Corp. (M/F)	Tounton	Mfg. of Semiconductor Moteriol	500,000	70
Cotomount Mfg.	Leominster	Mfg. of Plostic Molded Fosteners	650,000	92
Runtol North Americo	Hoverhill	Mfg. of Rodiotors	400,000	110
Xenon	Woburn	Mfg. of Loser Pump Sources	250,000	26
Decorotive Coverings	Wokefield	Mfg. of Woll Coverings	2,000,000	445
Weblock	Foll River	Mfg. of Textiles	368,000	22
Trios	Chelseo	Mfg. & Dist. of Posto Products	300,000	24
Beresford Pockoging	Tounton	Mfg. of Plostic Shopping Bogs	400,000	125
Gloucester Corp.	Lynn	Processor & Dist. of Shrimp & Scollops	900,000	108
Downside Enterprise	Springfield	Wholesole Dist. of Surplus Goods	250,000	26
Kromer Scrop	Greenfield	Scrop Metol Converter	325,000	70
Jet-a-Woy (M/F)	Roxbury	Solid Woste Disposol	500,000	79
Cleon Horbors	Brointree	Pollution Cntrl. & Hoz. Woste Disposol	3,500,000	300
Moss. Protein Products	New Bedford	Processor of Fish Woste	750,000	70
Tomsum Foods	Greenfield	Mfg. of Soybeon Food	500,000	60
Sovoge Industries	Westfield	Mfg. of Sporting Rifles	1,500,000	450
Andrew Wilson	Lowrence	Mfg. of Metol Shelving	800,000	200
Southeostern Econ. Dev. (SEED)	Tounton	Nonprofit CDC	120,000	469
Porry Footwore	Combridge	Mfg. of Men's Slippers	200,000	65
Loke Industries	Stonehom	HVAC Controctor	60,000	40
Engineering & Soles Assoc.	Springfield	Mfg. of Custom Test Equipment	225,000	40
Cunninghom Woodlond	Whitmon	Prepockoged Medicol Dressing Troys	200,000	65
Comex, Inc.	Boston	Mfg. of Computer Grophics	650,000	128
Berkshire Corp.	Greot Borrington	Mfg. of Speciolty Popers & Cloth	200,000	30
High Seos Corp.	Foll River	Fishing Vessels	345,000	140
Elizobeth Stone House (M/F)	Jomoico Ploin	Women's Transitionol Housing	496,000	5
Berkley Forms	Berkley	Hydroponic Tomoto Forming	440,000	46
Bergeron Poper	Fitchburg	Mfg. of Poperboord Pockoging	32,500	13
Atlontic Thermoplostics	Blockstone	Mfg. of Molded Products for Shoe Inds.	300,000	12
Poyne Cutlery	New Bedford	Mfg. of Scissors	500,000	192

* M/F: minority and/or female enterprise

BOARD OF DIRECTORS



From the top;

Peter B. Morin, *Esquire*

Robert F. Verdonck
President ond CEO, East Boston Sovings Bonk

James P. McDonough
President ond CEO, Abington Sovings Bonk
Thrift Fund Minority Outreoch Committee Choirmon

Philip E. Lamb
Choirmon, President ond CEO, Springfield Institution for Sovings
Thrift Fund Vice Choirmon

James G. Zafris
President ond CEO, Donvers Sovings Bonk

Gloria C. Larson
Mossochusetts Secretory of Consumer Affoirs
Thrift Fund Choirmon

Harry T. Daniels
Senior Portner, Hole & Dorr

Jacquie L. Kay,
President, WPI, Inc.
Thrift Fund Treosurer

Stonding from left:

Daniel Dennis
CPA, *Doniel Dennis Associotes*
Thrift Fund Audit Committee Choirmon

Paul D. Bozzini
President ond CEO, Milford Federol Sovings & Loon Associotion

Seated from left:

Thomas R. Venables
President ond CEO, Grove Bonk
Thrift Fund Executive Committee Choirmon

Walter A. Kinell, Jr.
President ond CEO, Westborough Savings Bank

Harold L. Goldsmith
President ond CEO, South Shore Cooperotive Bonk

Not pictured:

Robert L. Beal
Executive Vice President, the Beol Componies; Choirmon, MIFA



THRIFT FUND STAFF



Michael F. Wilson
Deputy Director



Ellen M. Youngclaus
Communicotions Officer



Charles E. DeCost
Operotions Monoger

ACKNOWLEDGEMENTS

The Board of Directors and Staff wish to express their sincere appreciation to former Director **Robert H. Studley**, *former Choirmon ond CEO, Eostern Bonk*, for his service on the Fund's behalf.

Once again we extend thanks to **Vitald J. Adimonis** and **John W. Hosmer, Jr.**, members of the Loan Review Committee, for their wise counsel and expert advice.

Legol Counsel: **Hill & Barlaw**

Independent Auditors: **KPMG Peat Marwick**

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for Economic Development**

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Fulfilling
Our Lending
Mission

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A MESSAGE FROM GOVERNOR WELD



May 4, 1994

Dear Friends,

For nearly a decade, the Thrift Fund has provided vital financial and technical resources to emerging businesses and has played an important role in the economic revitalization of Massachusetts' communities. In working with community banks and eligible borrowers, the Fund has assisted in the development of numerous public benefit projects, which include the creation of affordable housing.

On behalf of the Weld-Cellucci Administration, I applaud the Board of Directors for its leadership. The Thrift Fund's investments in Massachusetts' communities have helped prepare the Commonwealth for the challenges of the twenty-first century.

Sincerely

Bill Weld

William F. Weld

THE YEAR IN REVIEW



left to right: Priscilla H. Douglas, Secretary of Consumer Affairs and Thrift Fund Chairman, Gloria C. Larson, Secretary of Economic Affairs and former Thrift Fund Chairman, and Paul H. Rupp, Thrift Fund Executive Director.

After a three year recession, 1993 saw the beginning of an improving economic climate. The Thrift Fund lending pace increased along with the general economic upturn.

In 1993, the Thrift Fund committed to a total of eight loans. Five of these were provided under the CRA Initiative, with projects ranging from an emergency shelter and an ethnic community center, to an expanded hardware store. Three loan commitments were issued under the Participation Loan Program: the renovation of a shopping plaza, the expansion of manufacturing facilities and the housing of a biotech company. The total Thrift Fund commitment for the year amounted to nearly $3.3 million, and resulted in the retention or creation of 693 jobs.

1993 commitments brought the total Thrift Fund portfolio to approximately $65 million for 110 projects which all told have helped to retain or create over 9,300 jobs.

FULFILLING OUR LENDING MISSION

In 1994, the Thrift Fund will focus its energies on fulfilling its public purpose mandate as required by law. After an indepth study, the Board of Directors has adopted a strategic plan of action which will allow the Fund to effectively distribute the remaining resources and complete its public purpose lending mission in a responsible and timely manner. This plan includes improvements to existing Thrift Fund programs, as well as the introduction of new lending initiatives which will enable funds to be made available to a broader range of eligible borrowers.

The fulfillment of the Fund's economic development mission will be achieved by 1995, at which time the Fund's administrative structure will be discontinued. The Board of Directors will continue to exercise its oversight authority as required by statute until such time as all loan collections and paybacks to member institutions are completed.

USER-FRIENDLY PROGRAMS

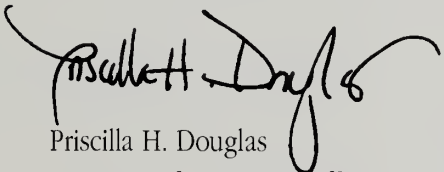
In an effort to stimulate borrowing, the Thrift Fund has instituted user-friendly modifications to its current lending programs aimed at member institutions. A more simple and streamlined "open application" process for smaller CRA Initiative and Participation Loans originated by member banks has been developed. To stimulate greater loan volume, criteria for non-profit loans has been eased to allow loan to value ratios of up to 90%. Also, both of these co-lending initiatives will be open to the state's two minority owned banks: the Boston Bank of Commerce and the Asian American Bank.

NEW INITIATIVES

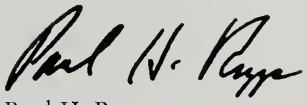
In addition, the Fund will be launching several exciting new initiatives designed to make funds more accessible to non-profit organizations and minority enterprises. Four new lending activities will be introduced:

- A cooperative effort with the *Federal Home Loan Bank of Boston* will be initiated. Funds will be loaned through the FHLB under a special new program to benefit non-profit organizations and affordable housing.
- Capital to assist minority small businesses will be provided to the Community Development Finance Corporation (CDFC), which is in the process of launching the *Commonwealth Enterprise Fund, Inc.(CEF),* an SBA-licensed specialized Small Business Investment Company.
- Capital and technical assistance to minority businesses will be provided through a cooperative effort with the *Minority Enterprise Investment Corporation (MEIC).*
- Finally, in a creative joint venture with *MEIC and CDFC,* the Thrift Fund plans to assist a number of minority entrepreneurs, helping foster stable credit relations by refinancing and restructuring their existing debt.

We believe that the Thrift Fund, through its various programs, has had a positive impact on economic and community development in Massachusetts. With the help of these new initiatives, a successful resolution and completion of the Thrift Fund's mission, which is to foster public/private partnerships and create or retain jobs in the Commonwealth, will be achieved.



Priscilla H. Douglas
Secretary of Consumer Affairs
and Business Regulation
Thrift Fund Chairman



Paul H. Rupp
Executive Director
Thrift Fund



MOISON ACE HARDWARE

$400,000 CRA INITIATIVE LOAN WITH 85% SBA GUARANTEE

Source of Funds:

Thrift Fund	$200,000
North Middlesex Savings Bank	$200,000
Ace Hardware	$105,000
Owners Equity	$180,000

Use of Funds:

Construction/Permanent

Collateral:

Shared first mortgage

Rate & Terms:

Prime + 0.5% adjusted annually

5 month construction term

20 year amortization

Small business entrepreneurs continue to be the economic backbone of many Massachusetts towns. One such successful business is the Moison Ace Hardware Store in Groton.

The fourth generation owners of Moison Ace Hardware recently relocated after 50 years to their new, larger retail facility, which was financed by a $400,000 CRA Initiative Loan from the Thrift Fund and North Middlesex Savings Bank in Ayer. Ace Hardware, from whom Moison's secured a franchise, also provided business financing of $105,000. Significantly, the CRA Initiative loan was 85% guaranteed by the Small Business Administration (SBA).

The loan enabled the expansion of the business to increase inventory, thereby better serving the needs of customers in the surrounding community, and of course increasing sales. Moison's was established in 1922 by George L. Moison. Today, the expanded facility, which is the only hardware store in Groton, is run by his great-grandsons, Dana and Richard Sargent.

Above: Harold Sargent, whose grandfather founded Moison's Hardware, poses between his sons Dana and Richard in their newly expanded store.



DALTON AVENUE PLAZA

$2.38 MILLION PARTICIPATION LOAN

Source of Funds:

Thrift Fund	$691,235
Berkshire County Savings Bank	$1,691,235
Owners Equity	$50,000

Use of Funds:

Construction/Permanent

Collateral:

Shared first mortgage

Rate & Terms:

Prime + 2.25%
5 year term
20 year amortization

Commercial revitalization is crucial to the economic health of our older communities. In Pittsfield, wholesale renovations made to the Dalton Avenue Plaza have revitalized this previously underutilized and somewhat blighted shopping center. The Thrift Fund, in participation with Berkshire County Savings Bank, provided a $2.38 million Participation Loan to the Dalton Avenue Plaza to finance this project.

The revitalization effort has attracted a number of national chain stores as anchor tenants, including Auto Palace, Jo-Ann Fabrics, Little Caesar Pizza, and Chi-Chi's Restaurant, as well as a national daycare center. A 6,000 square foot addition to the existing facility was also included, which is now occupied by Blockbuster Video. The renovation and expansion dramatically increased the occupancy level and helped increase the local tax base. Approximately 265 jobs were created or retained.



PATHWAYS FAMILY SHELTER

$248,000 CRA INITIATIVE LOAN

Source of Funds:

Thrift Fund	$124,000
Grove Bonk	$124,000
Equity	$ 29,000

Use of Funds:
Acquisition

Collateral:
Shored first mortgoge

Rate & Terms:
6.51%
3 year note
25 yeor omortizotion

The provision of special needs housing is a vital concern throughout Massachusetts, whether it be for the handicapped or developmentally disabled, for low income families or for the homeless. The South Middlesex Opportunity Council (SMOC) is an organization dedicated to providing more opportunities for housing and shelter for these groups of people. SMOC established a subsidiary, the South Middlesex Non-Profit Housing Corporation, to preserve and improve existing housing for low income individuals and families and to develop new affordable housing resources. In the past six years, with the assistance of several lending institutions, SMOC has purchased, renovated, and is operating 30 buildings comprised of 250 rental units, five homeless shelter programs and several program offices.

With the help of a $248,000 CRA Initiative Loan from the Thrift Fund and Grove Bank in Chestnut Hill, SMOC was able to finance the acquisition of a 17-room house in Framingham to provide emergency shelter for ten homeless families. The house, called Pathways, had previously been leased by SMOC. Now with this mortgage financing, expenses for this operation are more predictable.



NEW ENGLAND QUILT MUSEUM

$229,000 CRA INITIATIVE LOAN

Source of Funds:

Thrift Fund	$114,500
Butler Bank	$114,500
Equity and other sources	$ 91,000

Use of Funds:
Acquisition

Collateral:
Shared first mortgage

Rate & Terms:
Prime + 2% for 20 years

The handiworks of our past are important pieces of our cultural history which need to be preserved. Such is the mission of the New England Quilt Museum in Lowell, which opened in 1987 to fill a need for an institution devoted solely to presenting a wide variety of quilts to the general public, and to helping preserve the past by collecting and caring for outstanding antique American quilts. To provide expanded space for its growing collection, the Quilt Museum eyed a vacant landmark building, formerly the Lowell Institution for Savings, in downtown Lowell. With the help of a $229,000 CRA Initiative Loan from the Thrift Fund and Butler Bank in Lowell, the museum has acquired the property and is renovating it to suit its purposes while also helping to revitalize the central business district in the process.

The new and improved museum expects to serve an audience of 50,000 visitors per year, drawing from National Park attendance and from its own constituency of 5 to 7 million quilters nationwide. Four to six exhibits are planned per year, along with a constant display of collection quilts. Educational programs will also be offered, including school outreach, quilt making and quilt care classes, and a Quilt Study/Resource Center.

Above: Barbara Meyer, Managing Director of the New England Quilt Museum, displays part of the museum's collection.



ANGKOR PLAZA COMMUNITY DEVELOPMENT CENTER

$160,000 CRA INITIATIVE LOAN

Source of Funds:

Thrift Fund	$80,000
Fall River Five Cents Savings Bank	$80,000

Use of Funds:

Acquisition

Collaterol:

Shared first mortgage

Rote & Terms:

Prime + 1%

20 years

A sense of belonging can be central to the economic well-being of a community. To the rather sizeable Cambodian refugee community of Fall River, the dream of a common place to gather and foster cultural identities, as well as house ethnic businesses, will become reality because of a $160,000 CRA Initiative Loan committed by the Thrift Fund and the Fall River Five Cents Savings Bank.

The Angkor Plaza Community Development Corporation plans to recreate a Cambodian village center, with new businesses, Asian restaurants and stores, and professional, social and educational services available specifically for the Cambodian community. The Angkor Plaza Community Development Center will be located in the former Spindle City Mill Outlet Center, a two story building in the heart of the Flint section of Fall River where the Cambodian refugee community is concentrated. Plans call for the opening of retail businesses, a reception/function facility, an ATM center, and the Fall River Fire Museum, among others. The Center will be within walking distance of the Cambodian community and is expected to create over 100 new jobs.

Above: Sam Rim, head of the Cambodian Community of Greater Fall River, is surrounded by business owners at the Angkor Market.



ECOSCIENCE CORPORATION

$3 MILLION PARTICIPATION LOAN

Source of Funds:

Thrift Fund $1.5 million

Worcester County Institution for Savings $1.5 million

Massachusetts Community Capital Fund $500,000

Seller-Second Mortgage $500,000

Use of Funds

Acquisition/Renovation

Collateral:

Shared first mortgage

Rate & Terms:

WCIS Base Rate + 2%

5 year note

15 year amortization

Great strides are being made in the medical and biotech fields, which will transform not only high technology but also everyday lives. The Worcester Business Development Corporation (WBDC) is supporting the advancement of biotechnology in Massachusetts by leasing property to the EcoScience Corporation, a biotech company founded in 1982 for the purpose of developing and commercializing products that provide cost effective control of insects, plant diseases and weeds, without health and environmental risks associated with conventional chemical pesticides.

With a $3 million Participation Loan from the Thrift Fund and Worcester County Institution for Savings, WBDC was able to acquire and retrofit a facility in Northboro, for the purpose of leasing the facility to EcoScience. The star product of EcoScience is the Bio-Path Cockroach Control Chamber, which is used in the same manner as conventional bait stations. However, traditional bait stations require the roach to actually eat chemical pesticides, while the EcoScience product only requires the roach to come in contact with a fungus to become infected and act as a host, inevitably spreading the fungus to other roaches.



FIFTY MERIDIAN REALTY, INC.

$453,000 CRA INITIATIVE LOAN

Source of Funds:

Thrift Fund	$226,500
Hyde Pork Cooperotive Bonk	$226,500

Use of Funds:

Reol Estote

Collateral:

Shored first mortgage

Rate & Terms:

8%

3 yeor /20 yeor omortizotion

The Thrift Fund and the Hyde Park Cooperative Bank are together providing needed stability to a key urban commercial project by committing a $453,000 CRA Initiative Loan to refinance the 50 Meridian Street building in East Boston. Tenants in the building include a post office, law firms, and the Corporate Image, a graphic design business.

With this loan, the complex, which finds itself in FDIC's portfolio through no fault of its own, will now enjoy a more stable financial relationship with a community bank. Furthermore, a second mortgage held by the East Boston Community Development Corporation will be retired, thus allowing the CDC to recycle the funds for other economic development projects in East Boston.



GETOV MACHINE

$1.7 MILLION PARTICIPATION LOAN

Source of Funds:

Thrift Fund	$855,000
Danvers Savings Bank	$855,000

Use of Funds :

Acquisition

Collateral:

Shared first mortgage

Rate & Terms:

182 Day T-Bill Rate + 4.5%

20 years

Some Massachusetts companies produce services and products which are not only used in high technology but also enrich our everyday lives. One such company, Getov Machine in Wilmington, is not only in the business of manufacturing high quality machine parts for microwave and fiber optics applications, but also for communications and medical uses.

As a result of recent dramatic sales growth, the company needs to expand. Getov Machine will acquire a 50,000 square foot vacant building in Burlington with the help of a $1.7 million Participation Loan, committed by the Thrift Fund and Danvers Savings Bank. The move to this new location will facilitate the creation of approximately 30 new jobs and strengthen the commercial base in the town of Burlington.

Above: Blagica Getov, President of Getov Machine, confers with a machine operator.

CRA Initiative Loans	Location of Business	Member Bank	Type of Business	Principal Amount	Jobs Created/ Retained
Fifty Meridian Realty	East Boston	Hyde Park Cooperative Bank	Commercial Real Estate	226,500.00	N/A
Angkor Plaza CDC	Fall River	Fall River Five Cents Savings Bank	Cambodian Community Center	80,000.00	100
South Middlesex Opportunity Council	Framingham	Grove Bank	Emergency Shelter	124,000.00	9
New England Quilt Museum	Lowell	Butler Bank	Quilt Museum	114,500.00	7
R & D Realty Trust	Groton	North Middlesex Savings Bank	Moison Ace Hardware Store	200,000.00	10
North Shore A.R.C.	Danvers	Heritage Cooperative Bank	Handicapped Housing	380,000.00	25
Co-operative for Human Services	Medford	Medford Cooperative Bank	Dev. Disabled Housing	231,000.00	25
Wareham EDIC	Wareham	Mayflower Cooperative Bank	Industrial Park	175,000.00	N/A
Caritas Communities, Inc.	Boston	Brookline Savings Bank	Parkview SRO	170,000.00	2

Participation Loans	Location of Business	Member Bank	Type of Business	Principal Amount	Jobs Created/ Retained
Getov Machine, Inc.	Danvers	Danvers Savings Bank	Mfg. of Machine Parts	855,000.00	58
Dalton Avenue Plaza II	Pittsfield	Berkshire County Savings Bank	Commercial Revitalization	91,235.00	350
Worcester Business Development Corp.	Worcester	Worcester County Inst. for Savings	Commercial Real Estate	1,500,000.00	159
East Boston CDC	E. Boston	East Boston Savings Bank	Low-income Housing	572,000.00	28
Southern N.E. School of Law	N. Dartmouth	New Bedford Inst. for Savings	Law School	1,000,000.00	50
Dalton Ave. Plaza	Pittsfield	Berkshire County Savings Bank	Commercial Revitalization	500,000.00	350
Classical Food (M/F)	Peabody	Danvers Savings Bank	Food Service	175,000.00	30
N.Suffolk Mental Health Assoc.	E. Boston	East Boston Savings Bank	Health Care	361,000.00	450
Concord Museum	Concord	Middlesex Savings Bank	Museum	750,000.00	25
Minoan Realty Trust	Salem	Eastern Bank	Comm. Real Estate Dev.	1,030,000.00	N/A
Monument Square Realty Trust	Fitchburg	Fitchburg Savings Bank	Retail Office Building	480,000.00	N/A
New Perspective School	Brookline	Brookline Savings Bank	Educational Facility	140,000.00	15
		Coolidge Corner Cooperative Bank			
Forward, Inc. (M/F)	Roxbury	Neworld Bank	Elderly Housing	278,964.00	17
Grass Roots	Holliston	Medway Savings Bank	Lawn & Landscape Services	157,500.00	13
Boston Citywide Land Trust (M/F)	Boston	Neworld Bank	Limited Equity Cooperative	724,963.50	N/A
Original Italian Pasta (Trios)	Chelsea	Danvers Savings Bank	Mfg. & Dist. of Pasta Prods.	250,000.00	55
Regional Waste Services	Peabody	Salem Five Cents Savings Bank	Solid Waste Disposal	2,050,000.00	112
Hollywood Limousine	Danvers	Danvers Savings Bank	Livery Service	312,500.00	22
OMT Fashions	Mendon	Milford Savings Bank	Mfg. of Costume Jewelry	480,000.00	45
Yankee Candle Co.	S. Deerfield	Heritage Bank for Savings	Mfg. of Candles	1,532,500.00	180
New Bedford Historic Stores Association	N. Bedford	Boston Five Cents Savings Bank	Commercial Revitalization	2,100,000.00	N/A
Optical Micro Systems	Danvers	Warren Five Cents Savings Bank	Mfg. of Micro Surgical Instr.	250,000.00	45
Breakthrough Vehicles	N. Easton	North Easton Savings Bank	Van Modif. for Disbld. Drivers	75,000.00	13
Boston Bridge & Iron	Dorchester	Braintree Savings Bank	Structural Steel Erection	325,000.00	53
Zeiterion Theatre	New Bedford	New Bedford Inst. for Savings	Performing Arts Center	200,000.00	52

Direct Loans	Location of Business	Type of Business	Principal Amount	Jobs Created/ Retained
Burgundy Brook	Edgartown	Dairy Farm	199,217	9
Native Poultry (M/F)	Chelsea	Processor & Dist. of Meats	500,000	120
Heritage Albums	Holyoke	Mfg. of Photograph Albums	500,000	120
Housatonic Railroad	Berkshire County	Railroad Rehabilitation	300,000	18
Transportation Mgmt., Inc.	Orange	Freight Hauler & Contract Carrier	450,000	19
Children's World Educ. Ctrs., Inc. (M/F)	Boston	Child Care	100,000	23
The Community Builders	Boston	Affordable Office Space for Nonprofit Orgs.	566,000	360
N.E. Digital Distributors	Beverly	Telecommunications	780,000	50
Warren St. Realty Trust (M/F)	Roxbury	Affordable Housing & Comm. Develp.	475,000	5
Edgartown Refuse (M/F)	Chilmark	Waste Management	425,000	12
Datawatch Corporation	Wilmington	Mfg. of Computer Workstations	450,000	102
Park St. Lodging House	Dorchester	SRO Housing	250,526	2
Lightlife Foods	Greenfield	Tofu Food Products	260,000	25
Input Output Computer Services (M/F)	Waltham	Computer Network Systems	600,000	205
Brilo Corp	Salem	Mfg. of Above Ground Pools	400,000	50
Frem Corp	Worcester	Mfg. of Plastic Molded Housewares	700,000	255

(M/F): Minority and/or Female-owned enterprise 1993 Loans

Direct Loans	Location of Business	Type of Business	Principal Amount	Jobs Created/ Retained
Compression Products	Sheffield	Mfg. of Preforms	300,000	17
Plymouth Rubber Co.	Canton	Mfg. of Rubber & Vinyl Tapes & Bands	1,250,000	410
B&J Mfg. Company	Taunton	Mfg. of Gift Jewelry	500,000	120
Baystate Energy Services, Inc.	Taunton	Mfg. of Industrial Equipment	315,000	145
300 Shawmut Avenue	Boston	SRO Housing	270,000	2
Greater Boston Comm. Dev.	Boston	Child Care	3,270,000	23
Museum Place Realty Trust	Salem	Retail & Office Space	1,425,000	35
Katama Farms	Martha's Vineyard	Dairy Farm	750,000	6
Taunton Silversmiths	Taunton	Mfg. of Silver & Gold Plate	1,000,000	122
Bay State Spray	Boston	Water Transportation	1,500,000	35
American Garter Co.	Ware	Retail	435,000	96
Multi-Core, Inc.	Andover	Mfg. of Multilayer Circuit Boards	750,000	210
Kenwood Farm	Georgetown	Thoroughbred Race Horse Breeding	900,000	35
Vispys Enterprises (M/F)	Framingham	Mfg. & Dist. Bakery Products	257,789	16
677 Beacon Realty Trust	Boston	Research Inst. for Circadian Physiology	850,000	120
Techni Products, Inc.	E. Longmeadow	Contract Machine Center	300,000	40
Rite Foods, Inc.	Boston	Fish Processor	400,000	60
Wolverine Corp.	Merrimac	Mfg. of Industrial Process Machinery	500,000	200
Professional Brush Corp.	Florence	Mfg. & Dist. of Toothbrushes	1,100,000	100
Ameriplast Corp.	Chicopee	Mfg. of Plastic Food Packaging	1,000,000	75
Old Mother Hubbard	Lowell	Mfg. of Pet Food	421,500	105
Dimock Community Health Center (M/F)	Roxbury	Health Center	840,000	25
Boston Opera Company	Boston	Performing Arts	600,000	200
N.E. Aquatics Center	Danvers	Recreational and Therapeutic Facility	300,000	6
Transcriber, Inc.	Taunton	Mfg. of Electronic Accessories	1,800,000	79
Tomkins Corp.	Whitinsville	Mfg. of Machinery & Equipment	250,000	35
Broken Wharf Realty Trust	Plymouth	Gift Store & Floral Shop	875,000	37
Whittenton Garment	Fall River	Mfg. of Apparel	255,500	211
Flint Village Plaza	Fall River	Development of Commercial Space	650,000	250
Kopin Corp. (M/F)	Taunton	Mfg. of Semiconductor Material	500,000	70
Catamount Mfg.	Leominster	Mfg. of Plastic Molded Fasteners	650,000	92
Runtal North America	Haverhill	Mfg. of Radiators	400,000	110
Xenon	Woburn	Mfg. of Laser Pump Sources	250,000	26
Decorative Coverings	Wakefield	Mfg. of Wall Coverings	2,000,000	445
Weblock	Fall River	Mfg. of Textiles	368,000	22
Trios	Chelsea	Mfg. & Dist. of Pasta Products	300,000	24
Beresford Packaging	Taunton	Mfg. of Plastic Shopping Bags	400,000	125
Gloucester Corp.	Lynn	Processor & Dist. of Shrimp & Scallops	900,000	108
Downside Enterprise	Springfield	Wholesale Dist. of Surplus Goods	250,000	26
Kramer Scrap	Greenfield	Scrap Metal Converter	325,000	70
Jet-a-Way (M/F)	Roxbury	Solid Waste Disposal	500,000	79
Clean Harbors	Braintree	Pollution Cntrl. & Hazard Waste Disposal	3,500,000	300
Mass. Protein Products	New Bedford	Processor of Fish Waste	750,000	70
Tomsum Foods	Greenfield	Mfg. of Soybean Food	500,000	60
Savage Industries	Westfield	Mfg. of Sporting Rifles	1,500,000	450
Andrew Wilson	Lawrence	Mfg. of Metal Shelving	800,000	200
Southeastern Econ. Dev. (SEED)	Taunton	Nonprofit CDC	120,000	469
Parry Footware	Cambridge	Mfg. of Men's Slippers	200,000	65
Lake Industries	Stoneham	HVAC Contractor	60,000	40
Engineering & Sales Assoc.	Springfield	Mfg. of Custom Test Equipment	225,000	40
Cunningham Woodland	Whitman	Prepacked Medical Dressing Trays	200,000	65
Camex, Inc.	Boston	Mfg. of Computer Graphics	650,000	128
Berkshire Corp.	Great Barrington	Mfg. of Specialty Papers & Cloth	200,000	30
High Seas Corp.	Fall River	Fishing Vessels	345,000	140
Elizabeth Stone House (M/F)	Jamaica Plain	Women's Transitional Housing	496,000	5
Berkley Farms	Berkley	Hydroponic Tomato Farming	440,000	46
Bergeron Paper	Fitchburg	Mfg. of Paperboard Packaging	32,500	13
Atlantic Thermoplastics	Blackstone	Mfg. of Molded Products for Shoe Inds.	300,000	12
Payne Cutlery	New Bedford	Mfg. of Scissors	500,000	192



BOARD OF DIRECTORS

Standing left to right:

JAMES G. ZAFRIS
President and CEO,
Danvers Savings Bank

WALTER A. KINELL, JR.
President and CEO,
Westborough Savings Bank

PRISCILLA H. DOUGLAS
Massachusetts Secretary of
Consumer Affairs;
Thrift Fund Chairman

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East Boston Savings Bank

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Thrift Fund Vice Chairman,
Minority Outreach Committee
Chairman

DANIEL DENNIS
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Thrift Fund Audit Committee
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of Eastern Massachusetts

MICHAEL A. CHRISTOPHER
President and CEO,
Lenox Savings Bank



Above left to right:

JAMES J. MCCARTHY
President and CEO,
Revere Federal Savings

PAUL D. BOZZINI
President and CEO,
Milford Federal Savings &
Loan Association

Not Pictured:

ROBERT L. BEAL
Executive Vice President,
The Beal Companies;
Chairman, MIFA

PETER B. MORIN
General Counsel, MBTA

THOMAS R. VENABLES
President and CEO,
Grove Bank;
Thrift Fund Executive
Committee Chairman



THRIFT FUND STAFF

left to right:

CHARLES E. DECOST,
Operations Manager

ELLEN M. YOUNGCLAUS,
Communications Officer

MICHAEL F. WILSON,
Deputy Director

Acknowledgements:

The Board of Directors and Staff wish to express their sincere appreciation to Former Director and Chairman ***Gloria Cordes Larson****, Secretary of Economic Affairs, and to former Director* ***Paul D. Bozzini,*** *President and CEO, Milford Federal Savings & Loan Association, for their service on the Fund's behalf.*

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THRIFT FUND

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ANNUAL REPORT

GOVERNMENT DOCUMENTS COLLECTION
JUL 2 1995
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MASSACHUSETTS THRIFT INSTITUTIONS FUND FOR ECONOMIC DEVELOPMENT

GOVERNMENT DOCUMENTS COLLECTION
JUL 21 1995
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1985-1995: A DECADE OF INVESTMENT IN MASSACHUSETTS



13,346 Jobs created/retained

71 Communities served

171 Enterprises financed





Dear Friends:

In 1984, the Massachusetts Legislature created the Thrift Institutions Fund for Economic Development. This fund consisted of a $100 million loan pool which, over a ten year period, was designed to encourage small business development, provide financial assistance to mature industries, promote commercial development, and provide affordable housing in older, urban communities.

One decade later, the Thrift Fund's mission has been accomplished; its lending commitments have resulted in an impressive array of private job-producing ventures and innovative public/private partnerships. The Thrift Fund has played a significant role in revitalizing the Massachusetts economy by forging lasting working relationships between community banks and the public/private sectors.

Lieutenant Governor Celluci and I applaud those involved with this important effort and extend our congratulations for a job well done.

Sincerely,

Bill Weld

William F. Weld
Governor
The Commonwealth of Massachusetts

February 1995

The Thrift Fund: A Mission Accomplished

GOVERNMENT DOCUMENTS COLLECTION

JUL 2 1995

University of Massachusetts

Chapter 485 of the Acts of 1984 established the Thrift Institutions Fund for Economic Development to provide funds "....to certain economic development projects which will serve a public purpose and fill a public need..." More specifically the legislation created a centrally administered loan pool to be funded by the state's then more than 275 savings and cooperative banks and savings and loans. The Thrift Fund was given a mandate to lend—over an approximately ten-year time frame—$100 million to a wide variety of projects which would include: affordable housing, small business expansion, commercial and industrial development, and other public benefit purposes.

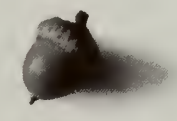
Now, ten years later, the Thrift Fund has essentially completed its mission. This report highlights and summarizes the public benefits generated by the Fund's decade of investment in Massachusetts.

GOVERNMENT DOCUMENTS COLLECTION

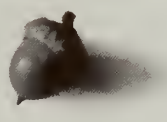
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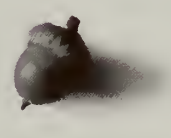
Enterprises Financed 1985-1995



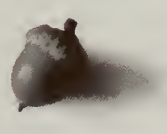
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Assisting Small Business

Small business is the foundation upon which the American economy continually builds and renews itself. Not suprisingly, an understanding of this was foremost in mind when the Thrift Fund was created in 1985. One of our major charges was to provide financing—which might not be available elsewhere—to support the state's small business sector.

In the ensuing ten years the Fund has helped finance the growth and expansion of a wide range of small businesses throughout the Commonwealth; varied enterprises which continue to create substantial numbers of jobs and in their own distinct ways, add to the economic vitality of the communities in which they are located.

1986

Trios



Trios Original Italian Pasta Products, located in Chelsea, manufactures, packages and distributes its own quality Italian pasta and sauces. The company has grown from six to 45 employees with the help of two Thrift Fund commitments; $300,000 in Direct Loan funding was received in 1986, followed by a $500,000 Participation Loan with the Danvers Savings Bank in 1989. Both of these loans served to facilitate the growth of this small company.

Small businesses have had greater access to financing from community banks because of our Participation Loan Program. The Grass Roots Lawn and Landscape Company in Holliston received a $315,000 loan from the Thrift Fund and Medway Savings Bank. With this financing, the owner was able to acquire and remodel the Drummer Boy Garden Center, an expansion that complemented his already successful landscape service.

1989

Grass Roots

Lawn and

Landscape Co.



1993

ANGKOR PLAZA COMMUNITY

DEVELOPMENT CENTER



To the rather sizeable Cambodian refugee community of Fall River, the dream of a common place to gather and foster cultural identities, as well as house ethnic businesses, became reality because of a $160,000 CRA Initiative Loan committed by the Thrift Fund and the Fall River Five Cents Savings Bank.

The Angkor Plaza Community Development Center is a recreated Cambodian village center located in the former Spindle City Mill Outlet Center, which houses new businesses, Asian restaurants and stores, and the Fall River Fire Museum, as well as professional, social and educational services, available specifically for the Cambodian community.

1993

MOISON ACE

HARDWARE



The fourth generation owners of Moison Ace Hardware established in Groton in 1922 by George L. Moison, recently relocated after 50 years to their new, larger retail facility, which was financed by a $400,000 CRA Initiative Loan from the Thrift Fund and North Middlesex Savings Bank in Ayer. Ace Hardware, from whom Moison's secured a franchise, also provided business financing of $105,000. Significantly, the CRA Initiative loan was 85% guaranteed by the Small Business Administration (SBA).

The loan enabled the expansion of the business to increase inventory, thereby better serving the needs of customers in the surrounding communities, and of course increasing sales.



1994

PARK CINEMA BLOCK, DORCHESTER

With the help of a $1 million construction loan from the Thrift Fund/ Federal Home Loan Bank of Boston's innovative Massachusetts Community Building Program (MCBP), the landmark Park Cinema block in Dorchester's Field's Corner section will soon take on a new life. The rejuvenated complex will become home to: 37 low income single room occupancy units, six renovated store fronts, and a new 4,400 square foot addition containing two commercial units as well as the Dorchester Alternative School which serves low income youth. The Park Cinema block represents a major achievement in the coordinated efforts of the City of Boston, neighborhood organizations, and private parties to revitalize Field's Corner. Project financing including the application for MCBP funds was assembled by Shawmut Bank.

Empowering Non-Profit Organizations

4

Since its inception, the Thrift Fund has held as one of its main objectives, the empowerment of non-profit organizations as a means to strengthen the community fabric. The myriad social and cultural programs operated by our state's numerous non-profit agencies have value in and of themselves, but also can serve to generate substantial ancillary benefits for the community as a whole. Frequently, initiatives launched by community-based groups result in new job opportunities and the physical improvement of neighborhoods.

Recognizing the contributions made to the quality of life in Massachusetts by many creative non-profits, the Thrift Fund has made a concerted effort to empower these organizations with workable financing alternatives.

1988

Dimock Community Health Center



The Dimock Community Health Center serves thousands of people in the Roxbury/Jamaica Plain neighborhoods. The Center also houses some 15 major human service organizations including the METCO Program, in a gothic edifice built in 1873. A total renovation and restoration of the Center's historic main structure, the Zakrzewska Medical Building, was made possible when the Thrift Fund provided permanent financing of $840,000.

The Concord Museum, established and operated by the Concord Antiquarian Society, is not only a repository of historic and cultural artifacts, but a significant educational outlet dedicated to documenting and presenting Concord's unique role in American History.

1991

The Concord Museum



A new 9,200 square foot addition, including a theater, new galleries and classrooms, as well as easier handicapped accessibility, was made possible by a $1.5 million Participation Loan from the Thrift Fund and Middlesex Savings Bank. This project has allowed the Concord Museum to better accommodate the thousands of students, local patrons and area visitors who tour this historic area.

1991

North Suffolk Mental Health Association



The North Suffolk Mental Health Association acquired the historic East Boston Relief Station in 1983 to house its mental health and drug abuse counseling programs. A $722,000 Participation Loan from the Thrift Fund and East Boston Savings Bank provided financing to restore and modernize the facility to better serve its clients. The Relief Station is home to two vital community programs: the East Boston-Winthrop Counseling Center that annually serves 14,000 people experiencing mental illness or emotional difficulties; and the "Connexions" Day Treatment Program, that cares for 50 chronically mentally ill patients each day.

1992

Southern New England School of Law



The Southern New England School of Law (SNESL) provides opportunities geared toward the needs of those who want a legal education, but because of family or work responsibilities cannot attend a traditional program, and to those professionals looking to enhance their knowledge of the law, by offering an extended night and weekend program.

The Thrift Fund and New Bedford Institution for Savings have assisted the law school in building a new facility with a $2.5 million Participation Loan. The project consisted of the construction of a larger three-story building containing eight classrooms, library space, administrative offices, a bookstore, and a student lounge. SNESL, the only Massachusetts law school south of Boston, is expected to play a key educational role for the Southeastern part of the state in coming years.



1994

Vocational Adjustment Center, Brighton

For over 30 years, the Brighton-based Vocational Adjustment Center (VAC) has provided employment opportunities and job training to the unemployed, the underemployed, and to special needs clients. Each and every day, 130 people with various disabilities have the chance to learn and to earn, working in VAC's supervised programs. VAC's clients are referred by the Massachusetts Rehabilitation Commission and the Department of Mental Retardation. The center is a subcontractor for over 60 businesses including John Hancock, Polaroid, the Federal Reserve Bank of Boston, and Bradlees, and offers such services as assembly, packaging, shipping, and mass mailing.

With a Thrift Fund Direct Loan of $702,000, the Vocational Adjustment Center is acquiring the training and operations facility it has up until now leased. This will result in annual occupancy expense savings of $43,000.

Meeting Special Housing Needs

The provision of special needs housing, whether for the handicapped and the developmentally disabled, or for low income families and the homeless, helps to stabilize and enhance the life of our communities. Assisting community-based efforts to fill the need for special housing types has always been central to the Thrift Fund's public purpose mission.

Since 1985, the Fund has worked closely with numerous other public agencies and non-profit entities to extend financing for the development of innovative solutions to specialized housing needs. Through its lending programs over the past ten years, the Thrift Fund has made possible the creation of units of affordable and special needs housing.



1987

Elizabeth Stone House

Elizabeth Stone House, a 14-unit transitional residence in Jamaica Plain, provides support services to battered women and their children. The Thrift Fund, in conjunction with additional financing from Land Bank and the city of Boston's Neighborhood Development and Employment Agency, issued a $496,000 Direct Loan to build this shelter. The Elizabeth Stone House not only provides a safe temporary place for its clients to live, but also offers supportive social services, counseling and job training programs.

A $557,928 Participation Loan from the Thrift Fund and Neworld Bank financed the renovation and recycling of a Roxbury nursing home, the Walnut Street Nursing Home, producing 37 congregate housing units for elderly persons. Forward, Inc., a subsidiary of the Council of Elders, provides community-based health and social services for senior citizens. The rebirth of the Walnut Building has enabled this imposing structure to again serve the needs of the elderly as an innovative congregate housing facility.



1989

Walnut Street Nursing Home

1991

CARITAS

COMMUNITIES, INC



Under the Thrift Fund's Community Reinvestment Access (CRA) Initiative, Brookline Savings Bank and the Thrift Fund committed $340,000 in permanent financing to Caritas Communities, Inc., a private non-profit provider of permanent housing for low and middle income people as well as elderly persons on fixed incomes. Without facilities such as this, these individuals would be at risk of becoming homeless. The loan spurred a renovation project to create 62 Single Room Occupancy (SRO) units in two lodging houses in Boston's Fenway area.



1992

NORTH SHORE ASSOCIATION FOR RETARDED CITIZENS

The North Shore Association for Retarded Citizens (NSARC) is a not-for-profit organization providing much needed resources and programs for people with mental retardation and multiple handicaps. NSARC's services include evaluation, counseling, training and job placement, and perhaps most significantly, residential housing.

With help in the form of a $760,000 CRA Initiative Loan financed by the Thrift Fund and Heritage Cooperative Bank in Salem, NSARC renovated and converted a failed condominium project in the expanded Thorndike Tavern building near downtown Beverly into special needs residential units for working retarded adults. The design of each unit includes all modern conveniences and safety features, and is varied to accommodate a range of living needs. In addition, the project created 25 new positions and is accessible to public transportation, retail stores, restaurants and other services.



1994

33 BOW STREET, SOMERVILLE

A $446,645 loan from the Massachusetts Community Building Program, obtained with the help of the Somerset Savings Bank, is enabling the Somerville Community Corporation to return this historic structure to a useful and productive life. The building, which is being acquired from the liquidation portfolio of the Federal Deposit Insurance Corporation, will be totally rehabilitated including restoration of the original exterior. As a result, twenty units of affordable family housing will be created above a local health center on the ground floor.

Promoting Commercial and Industrial Growth

The promotion of commercial revitalization in urban areas and the support of mature and emerging industries are key elements of the Thrift Fund's lending mandate. From the beginning, the Fund has focused on these priorities, providing financing options attuned to the often specialized needs of urban commercial developments as well as particular industry segments.

Over the past decade, the Thrift Fund has been committed to encouraging reinvestment in our older communities and to retaining and creating jobs for those communities through the stabilization of mature industries and the growth of newer technologies.



1987

Flint Village Plaza

Flint Village Plaza is a neighborhood retail/commercial center in the Flint area of Fall River, which was financed by a $650,000 Participation Loan from the Thrift Fund and the Fall River Five Cents Savings Bank. The project included the renovation of a vacant supermarket with the construction of an additional 14,000 square foot area. Renovation of the plaza was designed to reflect the architectural flavor of nearby mill complexes, and the finished plaza serves as a gateway to the Flint area.



1987

Optical Micro Systems

Optical Micro Systems in Danvers received a $500,000 Participation Loan from the Thrift Fund and the Warren Five Cents Savings Bank of Peabody. The funding provided working capital and enabled Optical Micro Systems to increase production of its innovative and advanced microsurgical instruments for optical surgery.

1991

THE HOUSATONIC RAILROAD CO.



The Housatonic Railroad Company received a $300,000 Direct Loan from the Thrift Fund to restore and revitalize the Berkshire County Rail Line. The line originates in Canaan, Connecticut, and ends in Pittsfield, Massachusetts. Freight service throughout Berkshire County has been greatly improved and area manufacturers benefit from a reliable and cost-effective alternative shipping method. The rail line is a key component in the proposed restoration of tourist passenger service between Pittsfield and New York City. The project has created a number of maintenance and operations jobs as well.



1993

ECOSCIENCE CORPORATION



The Worcester Business Development Corporation (WBDC) supports the growth of a biotechnology concentration in Central Massachusetts by working closely with companies like EcoScience Corporation. EcoScience was founded in 1982 for the purpose of developing and commercializing products that provide cost-effective control of insects, plant diseases and weeds, without health and environmental risks associated with conventional chemical pesticides.

With a $3 million Participation Loan from the Thrift Fund and Worcester County Institution for Savings, WBDC was able to acquire and retrofit a facility in Northboro, which it leases to EcoScience.

1994

GETOV MACHINE, BURLINGTON

Getov Machine, located in Wilmington several years ago, manufactures high quality machine parts for microwave and fiber optics applications, and for communications and medical uses.

As a result of recent dramatic sales growth, the company needed to expand. Getov Machine acquired a 50,000 square foot vacant building in Burlington with the help of a $1.7 million Participation Loan, committed by the Thrift Fund and Danvers Savings Bank. The move to this new location facilitated the creation of approximately 30 new jobs and strengthened the commercial base in the town of Burlington.



At the start of 1995, a decade after the Thrift Fund was created, we have virtually completed our mission of providing $100 million in workable financing alternatives for important economic and community development initiatives throughout Massachusetts.

QUANTIFIABLE BENEFITS

In the last fifteen months, following a strategic plan designed to fulfill the Fund's legislative mandate within the time frame originally envisioned, we have committed over $31 million to 61 projects and programs benefiting businesses, non-profit organizations, and affordable housing efforts.

Cumulatively, Thrift Fund financing over the past decade has resulted in an impressive array of achievements serving to enhance the economic vitality and the quality of life in cities and towns across the Commonwealth. A review of the quantitative product of our lending activities over this period illustrates both the Fund's vision and its commitment to stimulating private investment and working towards the stabilization of our communities.

Jobs

The creation and retention of jobs for Massachusetts has been the Thrift Fund's primary objective. We estimate that over 13,000 jobs in this state owe their existence in some part to our lending programs.

Total Financing

Loans directly funded through Thrift Fund resources actually amount to more than $109 million thanks to creative long-term investment associated with the Massachusetts Community Building Program developed in conjunction with the Federal Home Loan Bank of Boston.

Leveraged Investment

Private investment and funding from other public sources which has been leveraged by Thrift Fund financing is estimated to exceed $155 million in the aggregate.

Enterprises Financed

To date, a total of 171 enterprises in 71 Massachusetts communities have been the beneficiaries of Thrift Fund programs and intiatives. They are:

- 62 growing small businesses
- 23 community service-oriented non-profit organizations
- 38 community-based affordable housing intiatives representing several thousand low/moderate income units
- 48 highly diverse commercial and industrial projects

THE VALUE OF PARTNERSHIP

The forging of public/private partnerships has long been a hallmark of Thrift Fund policy and operations. In the beginning the Board of Directors, wishing to take full advantage of the experience and established outreach networks of

certain quasi-publics, settled upon an operational framework consisting of a small core administrative staff and formal working partnerships with those agencies. For the first two years the Fund relied solely upon the Community Development Finance Corporation, Land Bank, the Massachusetts Business Development Corporation and the Massachusetts Industrial Finance Agency to locate and recommend borrowers and to service loans.

In 1987, we took the partnership concept a step further, creating the Participation Loan Program to give our constituent financial institutions the opportunity to join the Fund in lending to eligible borrowers for purposes consistent with our mandate. In eight years we have advanced nearly $18 million to 27 partnership loans under this program.

The Community Reinvestment Initiative was created in 1991 as a set aside of funds to encourage smaller community banks to finance affordable housing developments, small businesses and non-profit organizations in partnership with the Fund. Since then, we have entered 17 such cooperative lending arrangements for a total of $3.1 million in Thrift Fund financing.

These approaches to fulfilling the Fund's mission clearly demonstrated the effectiveness of working in tandem with other lenders in the same arena. By these means, the Fund substantially leveraged its ability to positively affect community economic development and set the stage for continuing working relationships between a number of local lenders and community-based organizations and small businesses.

A Continuing Role

In working to conclude its lending function in accordance with statutory intent, the Fund has adopted a strategy which again builds upon the partnership focus. New and creative initiatives have now been formed in conjunction with the Federal Home Loan Bank, CDFC, MEIC, and the Community Economic Development Assistance Corporation which will continue to produce public benefits for years to come. These initiatives, which are described in more detail in the following pages, will stimulate investment levels far exceeding the start-up allocations made to them by the Fund.

A Long Term Presence

Having now effectively completed our lending mission, the Thrift Fund is shifting into a different mode of operation. Though our central administrative structure has now been dismantled, the Board of Directors will continue to oversee Fund affairs until such time as all of the loans in the portfolio, including those associated with the new initiatives, have been repaid and the proceeds returned to our member banks. State Street Bank & Trust Company has been engaged to manage Thrift Fund assets and interim investments and to distribute repayments to member thrift institutions.

Reviewing our experience in its entirety, we believe the Thrift Fund has had positive and substantive impact on community economic development in this state. The Board of Directors and staff are proud of the part we played in helping to create jobs, stimulate economic growth, and enhance the quality of life in Massachusetts communities.



Priscilla H. Douglas

Priscilla H. Douglas

Secretary of Consumer Affairs and Business Regulation; Chairman

Paul H. Rupp

Paul H. Rupp

Executive Director

The Massachusetts Community Building Program



Gathered at the State House for the Announcement of the Massachusetts Community Building Program were:

(left to right)

James McCarthy, board member, Thrift Fund

Priscilla Douglas, chairman, Thrift Fund

Lynne Fortunato, vice president, East Boston Savings Bank

Michael Jessee, president, Federal Home Loan Bank of Boston

Susan Elliott, executive vice pres., Federal Home Loan Bank of Boston

Paul Rep, executive director, Thrift Fund

In the summer of 1994, the Thrift Fund and the Federal Home Loan Bank of Boston (FHLBB) joined forces to launch a unique demonstration program intended to increase the availability of financing for community economic development and affordable housing production in Massachusetts.

Combining a long-term $20 million commitment from the Thrift Fund with the investment expertise of the FHLBB, the Massachusetts Community Building Program offered a substantial new source of below market funds for community reinvestment. Demand for this financing, underwritten and placed through conventional lenders, was overwhelming.

In the end, the program was able to accommodate 39 projects throughout the state with financing in excess of $33 million. These projects in turn will result in the development of 479 units of affordable housing and serve to create or retain an estimated 2,500 jobs.

The success of this effort has led the Thrift Fund and the Federal Home Loan Bank to plan a second smaller round of Massachusetts Community Building Program financing later this year.

The Community Development Finance Corporation

Building upon a long-standing partnership, the Thrift Fund in 1994 furnished $1 million, at below market rates, to the Community Development Finance Corporation (CDFC) in support of its similar public purpose objectives.

Over the next seven years, this new capital resource will enable CDFC to expand the availability of an array of credit enhancement products offering viable financing options to minority-owned businesses.

CDFC will focus on providing working capital to minority-owned businesses engaged as subcontractors on major public construction projects such as the "Big Dig" and to minority-owned professional firms and contractors providing services in connection with the Department of Housing and Urban Development's Demonstration Disposition Program.

CDFC

MEIC

The Minority Enterprise Investment Corporation

The Thrift Fund in 1994 also provided $1,500,000 in below market financing to the Minority Enterprise Investment Corporation to support its mission of cultivating minority business development.

MEIC, a multi-bank community development corporation, was established in 1990 for the specific purpose of nurturing disadvantaged minority businesses. The agency takes a comprehensive approach to its task, coordinating the provision of equity investment and credit with technical assistance to support emerging minority-owned businesses.

Over the next seven years, MEIC will use these funds to expand its existing programs and to develop new tools to empower promising minority enterprises throughout Massachusetts.

The TOTAL Program: A Joint Venture

Finally as part of our strategic plan to maximize leverage of Thrift Fund resources, we have committed $1,000,000 as part of a multi-agency effort aimed at converting nearly 2,000 units of HUD-owned housing to tenant ownership.

We plan to join together with the Massachusetts Housing Finance Agency (MHFA), The Massachusetts Industrial Finance Agency, and The Community Economic Development Assistance Corporation to create the "Tenant Organization Technical Assistance Loan" (TOTAL) program.

This $5 million loan pool is intended to help tenant organizations acquire and renovate select properties under the HUD Demonstration Disposition Program. The TOTAL program will enable these tenants to become property owners by advancing front-end pre-development financing for technical and professional services and other soft costs associated with conversion of these projects. Construction and acquisition financing, which will include repayment of pre-development loans, will be provided by HUD and MHFA.

As a further illustration of the creative linkage of this comprehensive effort, CDFC and MEIC will utilize part of the Thrift Fund resources provided them to target assistance to minority-owned smaller and professional firms, better enabling them to compete for contracts in connection with these HUD conversions.



Gathered at Camfield Gardens to review the project design were members of Camfield Tenants Association, Michael Gondek, CEDAC Executive Director (seated), Paul Rupp, Thrift Fund Executive Director (standing left), Priscilla Douglas, Thrift Fund Chairman (standing right), and Burt Harris, MIFA Executive Director (standing far right).

Thrift Fund Board of Directors



(Seoted left to right)

Sheryl R. Marshall
Vice President
Donaldson Lufkin
& Jenrette, Inc.

James G. Zafris
President & CEO
Danvers Savings Bank

James J. McCarthy
President & CEO
Revere Federal Savings Bank

Priscilla H. Douglas
Secretory of Consumer Affoirs
& Business Regulation
THRIFT FUND CHAIRMAN

(Stonding left to right)

Jacqueline L. Kay
President
WPI, Inc.
THRIFT FUND TREASURER

Linda S. Cornell
President
Visiting Nurse Association
of Eastern Massachusetts

Peter W. Copelas
President & CEO
Heritage Cooperative Bank

James P. McDonough
President & CEO
Abington Savings Bank
THRIFT FUND VICE CHAIRMAN

Michael A. Christopher
President & CEO
Lenox Savings Bank

Robert F. Verdonck
President & CEO
East Boston Savings Bank

Daniel Dennis
CPA
Daniel Dennis Associates
THRIFT FUND AUDIT
COMMITTEE CHAIRMAN

(Not pictured)

Robert Beal
Executive Vice President
The Beal Companies

Choirmon
Massachusetts Industrial
Finance Agency

Harry T. Daniels
Senior Portner
Hale and Dorr
THRIFT FUND SECRETARY

Thomas R. Venables
President & CEO
Grove Bank
THRIFT FUND EXECUTIVE
COMMITTEE CHAIRMAN

Thrift Fund Staff



(left to right)

Michael F. Wilson
DEPUTY DIRECTOR

Paul H. Rupp
EXECUTIVE DIRECTOR

Shannon Buckley
ADMINISTRATIVE ASSISTANT

Thrift Fund Loan Portfolio Summary

Loan Type	Number	Principal amount	Jobs created/retained
Direct Loans	83	$ 50,945,615.00	8,124
Participation Loans	27	$ 17,953,162.00	2,448
CRA Initiative Loans	17	$ 3,119,250.00	301
Special Program Loans	44	$ 37,436,216.00	2,473
Total	171	$109,454,243.00	13,346

Loan Portfolios

CRA Initiative loans	Location of business	Member bank	Type of business	Principal amount	Jobs created/retained
Trout Farm Village	Wareham	Sandwich Cooperative Bank	Affordable Housing	153,750.00	–
Commerce Properties	Boston	Boston Bank of Commerce	Housing/Commercial	322,000.00	9
Salem State Foundation II	Salem	Eastern Bank	Non-profit	100,000.00	N/A
Salem State Foundation I	Salem	Eastern Bank	Non-profit	300,000.00	N/A
Kimpa Trust	Plymouth	Plymouth Savings Bank	Commercial Development	215,000.00	28
* New Beginnings Academy	Hyde Park	Hydepark Savings Bank	Educational Institution	225,000.00	15
Brookline Music School	Brookline	Brookline Savings Bank	Educational Facilities	132,500.00	65
Living in Dorchester, Inc.	Dorchester	Mass Co-op	Housing Rehabilitation	50,000.00	6
Fifty Meridian Realty	East Boston	Hyde Park Cooperative Bank	Commercial Real Estate	226,500.00	N/A
* Angkor Plaza CDC	Fall River	Fall River Five Cents Savings	Cambodian Community Center	80,000.00	100
South Middlesex Opportunity Council	Framingham	Grove Bank	Emergency Shelter	124,000.00	9
New England Quilt Museum	Lowell	Butler Bank	Quilt Museum	114,500.00	7
R & D Realty Trust	Groton	North Middlesex Savings Bank	Moison Ace Hardware Store	200,000.00	10
North Shore A.R.C.	Danvers	Heritage Cooperative Bank	Handicapped Housing	380,000.00	25
Co-operative for Human Services	Medford	Medford Cooperative Bank	Dev. Disabled Housing	231,000.00	25
Wareham EDIC	Wareham	Mayflower Cooperative Bank	Industrial Park	175,000.00	N/A
Caritas Communities, Inc.	Boston	Brookline Savings Bank	Parkview SRO	170,000.00	2

Participation loans	Location of business	Member bank	Type of business	Principal amount	Jobs created/retained
* Federated Dorchester Neighborhood House	Boston	Citizens Bank	Eldercare Services	750,000.00	75
Landmark Foundation	Beverly	Danvers Savings Bank	Educational Facility	1,012,500.00	251
Getov Machine, Inc.	Burlington	Danvers Savings Bank	Mfg. of Machine Parts	855,000.00	58
Dalton Avenue Plaza II	Pittsfield	Berkshire County Savings Bank	Commercial Revitalization	91,235.00	350
Worcester Business Development Corp.	Worcester	Worcester Cnty. Inst. for Savings	Biotechnology	1,500,000.00	159
East Boston CDC	East Boston	East Boston Savings Bank	Low-income Housing	572,000.00	28
Southern N.E. School of Law	North Dartmouth	New Bedford Inst. for Savings	Law School	1,000,000.00	50
Dalton Ave. Plaza	Pittsfield	Berkshire County Savings Bank	Commercial Revitalization	500,000.00	350
* Classical Food	Peabody	Danvers Savings Bank	Food Service	175,000.00	30
North Suffolk Mental Health Assoc.	East Boston	East Boston Savings Bank	Health Care	361,000.00	450
Concord Museum	Concord	Middlesex Savings Bank	Museum	750,000.00	25
Minoan Realty Trust	Salem	Eastern Bank	Comm. Real Estate Dev.	1,030,000.00	N/A
Monument Square Realty Trust	Fitchburg	Fitchburg Savings Bank	Retail Office Building	480,000.00	N/A
New Perspective School	Brookline	Brookline Savings Bank, Coolidge Corner Cooperative Bank	Educational Facility	140,000.00	15
* Forward, Inc.	Roxbury	Neworld Bank	Elderly Housing	278,964.00	17
Grass Roots	Holliston	Medway Savings Bank	Lawn & Landscape Services	157,500.00	13
* Boston Citywide Land Trust	Boston	Neworld Bank	Limited Equity Cooperative	724,963.50	N/A
Original Italian Pasta (Trios)	Chelsea	Danvers Savings Bank	Mfg. & Dist. of Pasta Prods.	250,000.00	55
Regional Waste Services	Peabody	Salem Five Cents Savings Bank	Solid Waste Disposal	2,050,000.00	112
Hollywood Limousine	Danvers	Danvers Savings Bank	Livery Service	312,500.00	22

1994–1995 loans

* Minority and/or Female-owned enterprise

Participation loans (cont.)	Location of business	Member bank	Type of business	Principal amount	Jobs created/retained
OMT Fashions	Mendon	Milford Savings Bank	Mfg. of Costume Jewelry	480,000.00	45
Yankee Candle Co.	South Deerfield	Heritage Bank for Savings	Mfg. of Candles	1,532,500.00	180
New Bedford Historic Stores	New Bedford	Boston Five Cents Savings Bank	Commercial Revitalization	2,100,000.00	N/A
Optical Micro Systems	Danvers	Warren Five Cents Savings Bank	Mfg. of Micro Surgical Instr.	250,000.00	45
Breakthrough Vehicles	North Easton	North Easton Savings Bank	Van Modif. for Disbld. Drivers	75,000.00	13
Boston Bridge & Iron	Dorchester	Braintree Savings Bank	Structural Steel Erection	325,000.00	53
Zeiterion Theatre	New Bedford	New Bedford Inst. for Savings	Performing Arts Center	200,000.00	52

Direct loans	Location of business	Type of business	Principal amount	Jobs created/retained
* Urban League of Eastern MA	Roxbury	Human Services	500,000.00	72
* International Gospel Party	Boston	Affordable Housing	150,000.00	2
Cambridge Cable TV	Cambridge	Local Access TV	300,000.00	7
Montachusett Oppor. Council	Fitchburg	Head Start Program	83,000.00	12
Vocational Adjustment Center	Brighton	Special Needs Job Training	702,000.00	130
* Forest Glen Co-op	Jamaica Plain	Affordable Housing	375,000.00	–
Metrowest YMCA	Framingham	Non-profit	838,583.00	175
* Taino Tower Condominiums	Boston	Affordable Housing/Commercial	315,000.00	14
Burgundy Brook	Edgartown	Dairy Farm	199,217.00	9
* Native Poultry	Chelsea	Processor & Dist. of Meats	500,000.00	120
Heritage Albums	Holyoke	Mfg. of Photograph Albums	500,000.00	120
Housatonic Railroad	Berkshire County	Railroad	300,000.00	18
Transportation Mgmt., Inc.	Orange	Freight Hauler & Contract Carrier	450,000.00	19
* Children's World Educ. Ctrs., Inc.	Boston	Child Care	100,000.00	23
The Community Builders	Boston	Affordable Office Space for Nonprofit Orgs.	566,000.00	360
N.E. Digital Distributors	Beverly	Telecommunications	780,000.00	50
* Warren St. Realty Trust	Roxbury	Affordable Housing & Comm. Develp.	475,000.00	5
* Edgartown Refuse	Chilmark	Waste Management	425,000.00	12
Datawatch Corporation	Wilmington	Mfg. of Computer Workstations	450,000.00	102
Park St. Lodging House	Dorchester	SRO Housing	250,526.00	2
Lightlife Foods	Greenfield	Tofu Food Products	260,000.00	25
* Input Output Computer Services	Waltham	Computer Network Systems	600,000.00	205
Brilo Corp.	Salem	Mfg. of Above Ground Pools	400,000.00	50
Frem Corp.	Worcester	Mfg. of Plastic Molded Housewares	700,000.00	255
Compression Products	Sheffield	Mfg. of Preforms	300,000.00	17
Plymouth Rubber Co.	Canton	Mfg. of Rubber & Vinyl Tapes & Bands	1,250,000.00	410
B&J Mfg. Company	Taunton	Mfg. of Gift Jewelry	500,000.00	120
Baystate Energy Services, Inc.	Taunton	Mfg. of Industrial Equipment	315,000.00	145
300 Shawmut Avenue	Boston	SRO Housing	270,000.00	2
Greater Boston Comm. Dev.	Boston	Non-profit Office Space	3,270,000.00	23
Museum Place Realty Trust	Salem	Retail & Office Space	1,425,000.00	35
Katama Farms	Martha's Vineyard	Dairy Farm	650,000.00	6
Taunton Silversmiths	Taunton	Mfg. of Silver & Gold Plate	1,000,000.00	122
Bay State Spray	Boston	Water Transportation	1,500,000.00	35
American Garter Co.	Ware	Retail	435,000.00	96
Multi-Core, Inc.	Andover	Mfg. of Multilayer Circuit Boards	750,000.00	210
Kenwood Farm	Georgetown	Thoroughbred Race Horse Breeding	900,000.00	35
* Vispys Enterprises	Framingham	Mfg. & Dist. Bakery Products	257,789.00	16
677 Beacon Realty Trust	Boston	Research Inst. for Circadian Physiology	850,000.00	120
Techni Products, Inc.	East Longmeadow	Contract Machine Center	300,000.00	40
Rite Foods, Inc.	Boston	Fish Processor	400,000.00	60
Wolverine Corp.	Merrimac	Mfg. of Industrial Process Machinery	500,000.00	200

* Minority and/or Female-owned enterprise

Direct loans (cont.)	Location of business	Type of business	Principal amount	Jobs created/retained
Professional Brush Corp.	Florence	Mfg. and Dist. of Toothbrushes	1,100,000.00	100
Ameriplast Corp.	Chicopee	Mfg. of Plastic Food Packaging	1,000,000.00	75
Old Mother Hubbard	Lowell	Mfg. of Pet Food	421,500.00	105
* Dimock Community Health Center	Roxbury	Health Center	840,000.00	25
Boston Opera Company	Boston	Performing Arts	600,000.00	200
N.E. Aquatics Center	Danvers	Recreational and Therapeutic Facility	300,000.00	6
Transcriber, Inc.	Taunton	Mfg. of Electronic Accessories	1,800,000.00	79
Tomkins Corp.	Whitinsville	Mfg. of Machinery & Equipment	250,000.00	35
Broken Wharf Realty Trust	Plymouth	Gift Store & Floral Shop	875,000.00	37
Whittenton Garment	Fall River	Mfg. of Apparel	255,500.00	211
Flint Village Plaza	Fall River	Development of Commercial Space	650,000.00	250
* Kopin Corp.	Taunton	Mfg. of Semiconductor Material	500,000.00	70
Catamount Mfg.	Leominster	Mfg. of Plastic Molded Fasteners	650,000.00	92
Runtal North America	Haverhill	Mfg. of Radiators	400,000.00	110
Xenon	Woburn	Mfg. of Laser Pump Sources	250,000.00	26
Decorative Coverings	Wakefield	Mfg. of Wall Coverings	2,000,000.00	445
Weblock	Fall River	Mfg. of Textiles	368,000.00	22
Trios	Chelsea	Mfg. & Dist. of Pasta Products	300,000.00	24
Beresford Packaging	Taunton	Mfg. of Plastic Shopping Bags	400,000.00	125
Gloucester Corp.	Lynn	Processor & Dist. of Shrimp & Scallops	900,000.00	108
Downside Enterprise	Springfield	Wholesale Dist. of Surplus Goods	250,000.00	26
Kramer Scrap	Greenfield	Scrap Metal Converter	325,000.00	70
* Jet-a-Way	Roxbury	Solid Waste Disposal	500,000.00	79
Clean Harbors	Braintree	Pollution Control & Hazard Waste Disposal	3,500,000.00	300
Mass. Protein Products	New Bedford	Processor of Fish Waste	750,000.00	70
Tomsum Foods	Greenfield	Mfg. of Soybean Food	500,000.00	60
Savage Industries	Westfield	Mfg. of Sporting Rifles	1,500,000.00	450
Andrew Wilson	Lawrence	Mfg. of Metal Shelving	800,000.00	200
Southeastern Econ. Dev. (SEED)	Taunton	Non-profit CDC	120,000.00	469
Parry Footware	Cambridge	Mfg. of Men's Slippers	200,000.00	65
Lake Industries	Stoneham	HVAC Contractor	60,000.00	40
Engineering & Sales Assoc.	Springfield	Mfg. of Custom Test Equipment	225,000.00	40
Cunningham Woodland	Whitman	Prepacked Medical Dressing Trays	200,000.00	65
Camex, Inc.	Boston	Mfg. of Computer Graphics	650,000.00	128
Berkshire Corp.	Great Barrington	Mfg. of Specialty Papers & Cloth	200,000.00	30
High Seas Corp.	Fall River	Fishing Vessels	345,000.00	140
* Elizabeth Stone House	Jamaica Plain	Women's Transitional Housing	496,000.00	5
Berkley Farms	Berkley	Hydroponic Tomato Farming	440,000.00	46
Bergeron Paper	Fitchburg	Mfg. of Paperboard Packaging	32,500.00	13
Atlantic Thermoplastics	Blackstone	Mfg. of Molded Products for Shoe Inds.	300,000.00	12
Payne Cutlery	New Bedford	Mfg. of Scissors	500,000.00	192

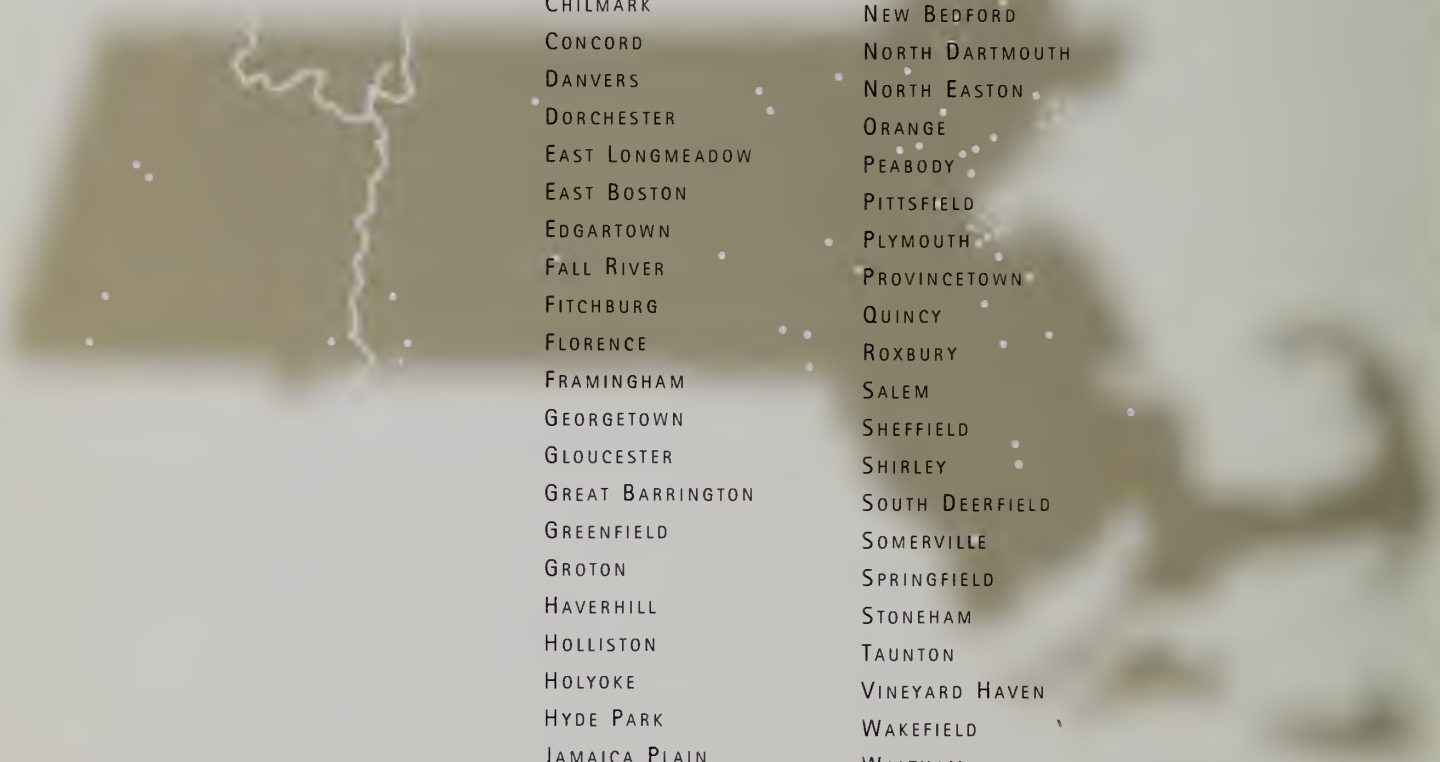
Special Program Loans	Location	Agency	Purpose	Principal amount
Mass. Community Building Program	Statewide	FHLBB	Economic Dev. & Afford. Housing (39 loans)	$ 33,111,216.00
* Minority Enterprise Program	Statewide	MEIC	Minority Business Enterprise Initiative	$ 1,500,000.00
The TOTAL Program	Statewide	MHFA / CEDAC	Economic Dev. & Afford. Housing Initiative	$ 1,000,000.00
* RECOLL	Boston	RECOLL	MBE / Economic Dev. Initiative	$ 825,000.00
CDFC	Statewide	CDFC	Minority Business Enterprise Initiative	$ 1,000,000.00
Total				$ 37,436,216.00

1994-1995 loans

* Minority and/or Female-owned enterprise

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